



Sustainability Report
2018

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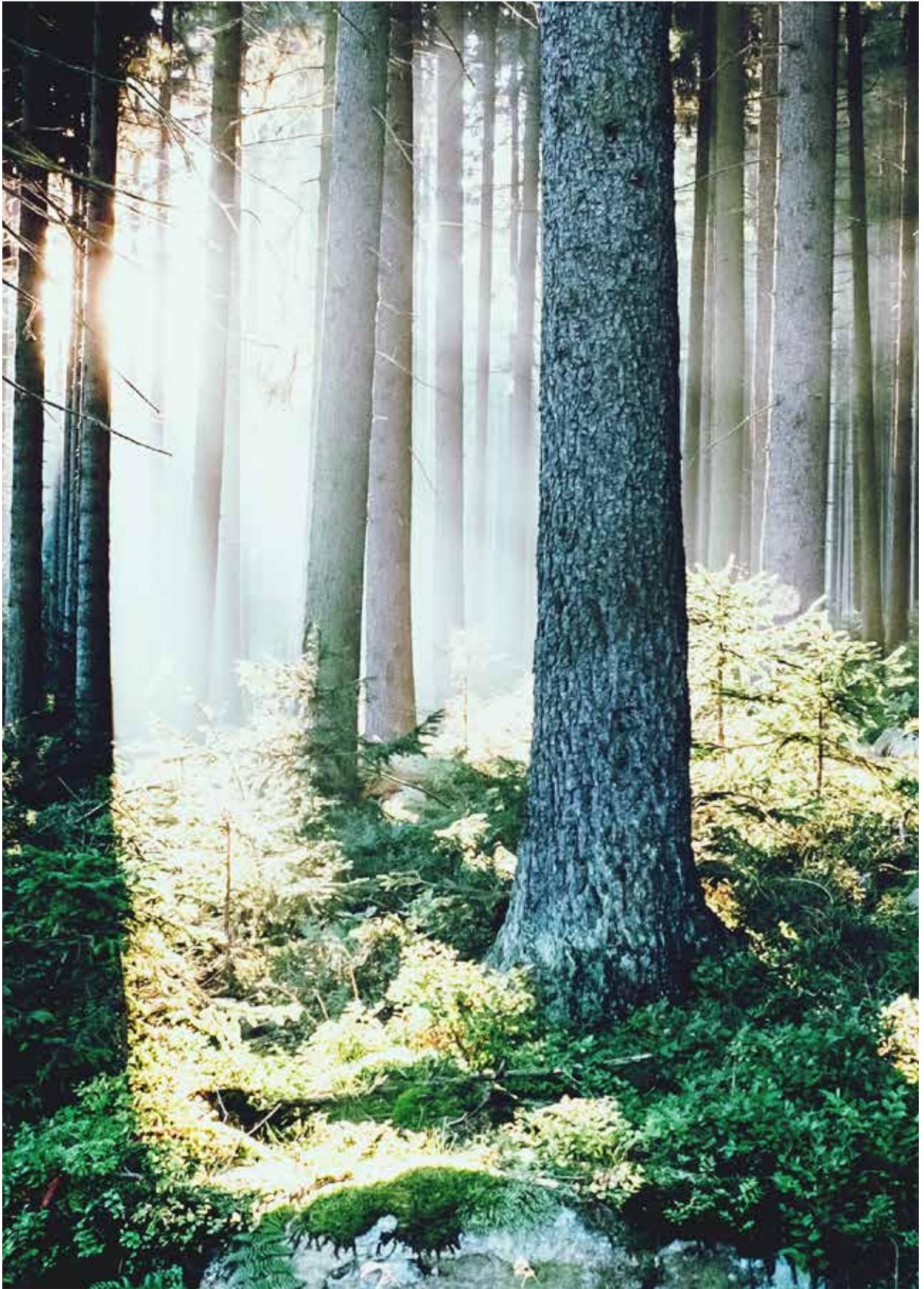
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CHIEF EXECUTIVE OFFICER'S LETTER

This is the fifth certified edition of our Sustainability Report, documenting all results and goals for 2018 concerning environmental respect, enhancement of the territory and corporate social responsibility, values that have been the cornerstones of Lefay Resorts' identity since its foundation.

In addition to the total compensation of CO₂ emissions, carried out for the fifth time in a row, also this year Lefay Resort & SPA Lago di Garda has further improved its economic performance with a 3% increase of turnover, confirming the record number of 50,000 Guest nights reached in 2017. This success is sealed both by the overall satisfaction rate, which remains stable at 95%, and by the 14 accolades obtained, including the award "Best SPA in Europe" by the European Health & SPA Award for the fourth consecutive year.

These numbers are part of the broader framework of the company's development, that has focused on the creation of the second jewel in the collection, Lefay Resort & SPA Dolomiti, which will open in August 2019 in the unspoiled beauty of the mountains declared by UNESCO a "World Heritage Site", and on the launch of Lefay Wellness Residences, the first serviced branded residences within an Italian Spa Destination. In addition, our efforts continue towards the completion of the Italian



portfolio with a third Resort in Tuscany and the sealing of management agreements for new properties abroad, particularly in Switzerland and Austria.

The results achieved in the last years, as well as the upcoming challenges, would have not been possible without the dedication and commitment of our Employees, which is why we are pursuing the enhancement of Human Resources, further increasing the benefits available (unique in the branch in Italy) and the investments in training and motivation processes.

All this allows us to look ahead with the awareness that we represent an example of responsible and innovative business culture, that will soon embrace two communities and two destinations.

Liliana Leali – Chief Executive Officer Lefay Resorts

OUR STORY



1980 - 1989

Domenico Alcide Leali, after graduating in Economics and Management, began working in the family group, the "Acciaierie e Ferriere Leali Luigi". He oversaw management and financial aspects of the group. Acquired experience and continued corporate responsibility resulted in Domenico Alcide Leali being appointed as Chief Executive Officer of the Leali Group in 1987 and as President in 1995.

1989 - 1992

Together with his wife Liliana, a graduate in Architecture, in 1989 Domenico Alcide founded Air Dolomiti with the aim of offering connecting flights from major Italian airports to important European destinations.

1992 - 1999

Air Dolomiti soon attracted the attention of major industry operators: in 1992, a partnership agreement was signed with Crossair, a pioneer in Europe's regional transport, and in 1994 with Lufthansa, the German flag carrier. Thanks to the agreement with the German company, Air Dolomiti entered the world's largest alliance, the Star Alliance. The partnership with Lufthansa was strengthened in 1999, when the latter acquired share capital in Air Dolomiti.

1999 - 2003

In 2001, a new growth phase started for Air Dolomiti which went public and its fleet was expanded with new regional jets. The Air Dolomiti experience ended successfully in March 2003, when Domenico Alcide Leali decided to sell the Company to Lufthansa.

2006 - 2008

After achieving world-renowned accolades with Air Dolomiti, the entrepreneurial couple decided to launch an innovative brand in the luxury wellness landscape through the creation of high-end hospitality facilities featuring unique locations, low environmental impact, cutting-edge wellness and integrated service management. In 2006, Lefay Resorts was founded. In 2008, the first property of the Collection was opened, Lefay Resort & SPA Lago di Garda, in Gargnano on the Brescia shore of Lake Garda.

2013

Lefay Resort & SPA Lago di Garda continued to enhance the experiences offered to Guests: in 2013, the Royal Pool & SPA Suite (featuring a total area of 600 square metres) and the new Meeting Area were introduced.

2016

Lefay Resort & SPA Lago di Garda soon obtained major international awards that culminated in 2016 in the award as "Worldwide Health & Wellness Destination" at the prestigious "World SPA & Wellness Awards". In early 2016, to best meet the group's expansion strategy, Gargnano's real estate property and management were transferred to a new company (Lefay Resort Garda SRL), transforming Lefay Resorts SRL into the Management Company.

2017

Thanks to a unique wellness experience, Lefay Resort & SPA Lago di Garda confirms its identity as a global SPA Destination with two additional awards: "Best SPA in the World" at the World Boutique Hotel Awards and "Best SPA in Europe" at the European Health & SPA Award. An original philosophy that is also found in the renewed Lefay SPA Cosmetics Line, created with full respect for the environment and certified Vegan OK and Cruelty Free. During the same year, the construction of the second Resort of the Collection, Lefay Resort & SPA Dolomiti began, located in the Madonna di Campiglio ski area, in Pinzolo.

2018

On the tenth anniversary of the first Resort, the Group takes its first steps into the "Serviced Branded Residences" within the new Lefay Resort & SPA Dolomiti, becoming the first Resort in the Italian market to offer residences of this kind in a SPA Destination (their sales starts in July of this year). On Garda Lake, the first Property is reconfirmed "Best SPA Destination" at the European Health & SPA Award and is recognised as "Europe's Most Sustainable Hotel" at the World Boutique Hotel Awards, gaining more than 60 international acknowledgements in ten years.

2019

After the announcement of the works for the second Property of the Group in January 2018, reservations for Lefay Resort & SPA Dolomiti, which will welcome its first Guests from August 2019, officially open in April.

SUSTAINABILITY REPORT BOUNDARIES

Sustainability means developing a business model designed to achieve economic and financial goals while fully respecting the environment and promoting the development of the local area and the professional growth of the company's Staff.

To communicate in a clear and transparent manner the commitment made to its stakeholders, from 2014 Lefay summarises the results achieved by the Group in the economic, social and environmental fields and the objectives for future improvement in the Sustainability Reports published annually. The 2018 Sustainability Report is thus the fifth, and like those of previous editions, it has been created following the internationally recognised Global Reporting Initiative standards (Core option).

The GRI application has been verified by the TÜV SÜD certification body. As in the previous year, the 2018 Sustainability Report was also prepared on the basis of the new corporate structure that the Lefay Group assumed at the end of 2015. Starting from 2016, the activities carried out up to the previous year by a single company are carried out by two distinct entities: Lefay Resorts S.r.l., which essentially performs as a holding and management company, and Lefay Resort Garda S.r.l., which owns and manages Lefay Resort & SPA Lago di Garda.

The 2018 Sustainability Report, in line with the 2017 document, presents data from Lefay Resorts S.r.l. and Lefay Resort Garda S.r.l., paying particular attention to the data of the latter company, the most interesting and significant from an economic, environmental and social point of view.

The complete Assurance Report is published at the end of this document. By engaging its stakeholders, Lefay Resorts endeavoured to understand their expectations and identified those on which the activities of the company impact in a significant manner. The main impact is exercised in the following areas:

- Staff and Guests' satisfaction;
- Reduction of the environmental impact;
- Development and promotion of local area;
- Achievement of one of the highest economic performances of the industry.

For each impact, specific indicators in the Global Reporting Index, described in the document, were selected. Compared to 2017, the sources of data and the rate of collection remained unchanged, in particular:

- The Sustainability Report is published annually. The 2018 edition refers to the period 1st January – 31st December 2018.
- The results of the global satisfaction of Guests are updated annually on the basis of a monthly analysis of the completed surveys.
- Energy and water consumption figures are updated yearly on the basis of the monthly readings taken by the maintenance department and refer to Lefay Resort Garda S.r.l., while the consumption figures of Lefay Resorts S.r.l. are to be found at the end of the document in a specific Addendum.

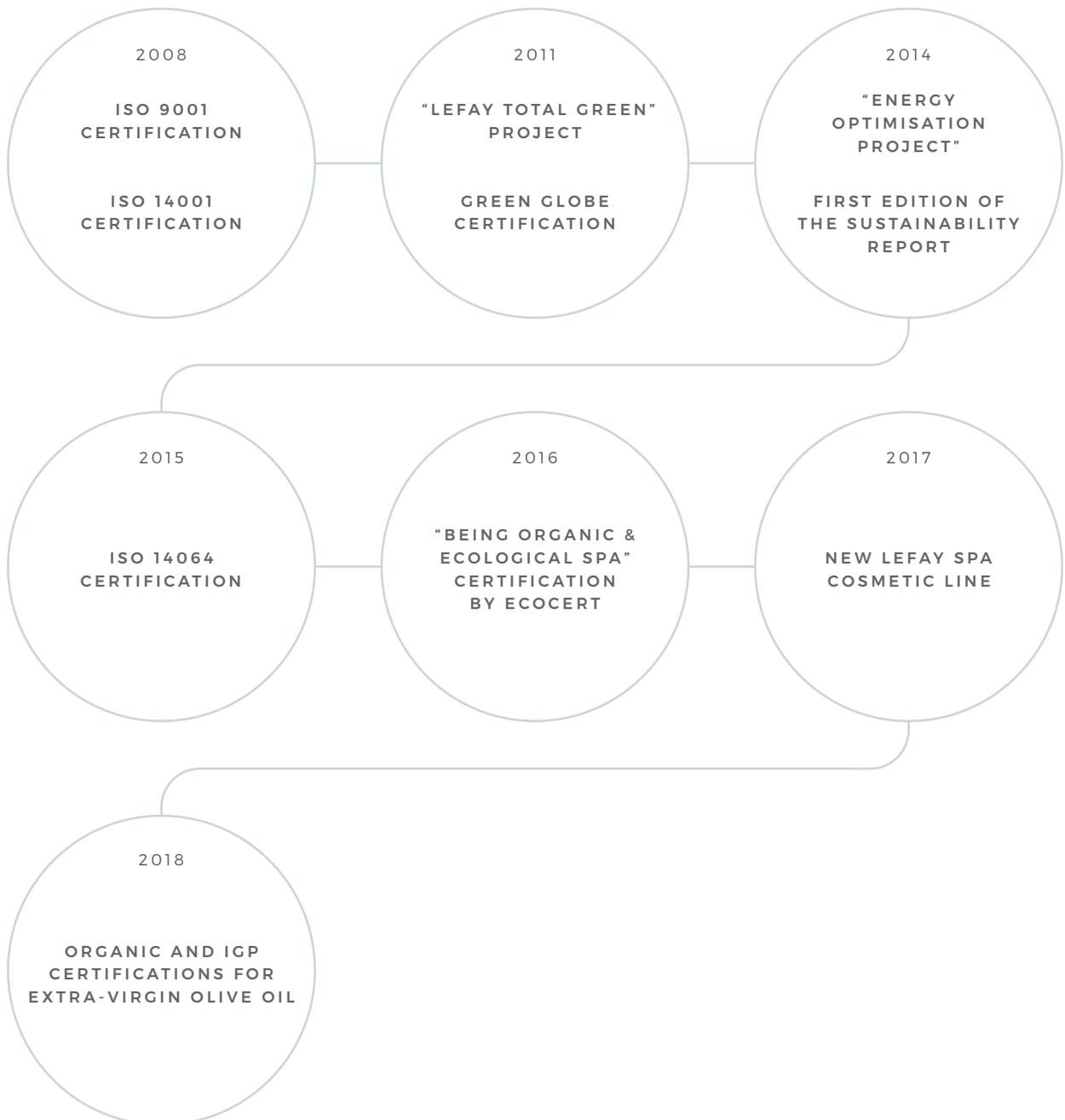


- The calculation of CO₂ emissions is updated every year and validated by TÜV SÜD. Monitoring activities began in 2011, while the first year when 100% of emissions were offset was 2013. When the emissions are calculated, Lefay purchases CERs, which are required to fully offset of the annual emissions.

- As in the past editions, in the event that the methods of calculation are the same and data are comparable, the 2018 Sustainability Report also shows the data of the previous years, to provide evidence of past trends.
- Also this year's Staff data both for Lefay Resorts S.r.l. and Lefay Resort Garda S.r.l. are displayed together.



OUR PATH TO SUSTAINABILITY



KEY FIGURES FOR 2018

50.000

Overnight Guests

65%

of the Staff is local

18.100.000

€ turnover

100%

of CO₂ neutralisation

166

Staff members

1

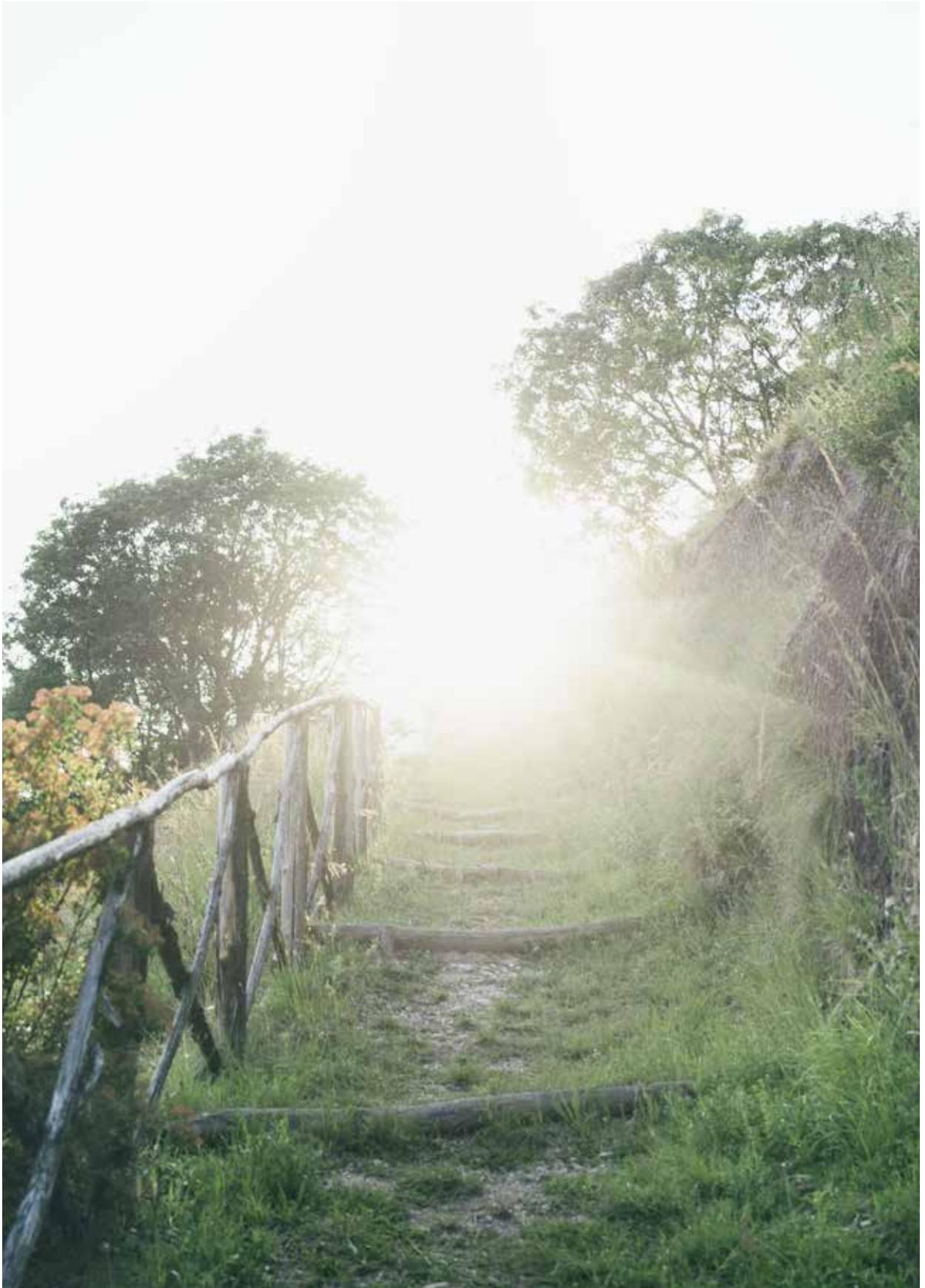
certification recognition:
Green Globe Gold Status

95%

Guests' level
of satisfaction

14

accolades, among which "Europe's Best SPA Destination" by the European Health & SPA Award and "Europe's Most Sustainable Hotel" by the World Boutique Hotel Awards.



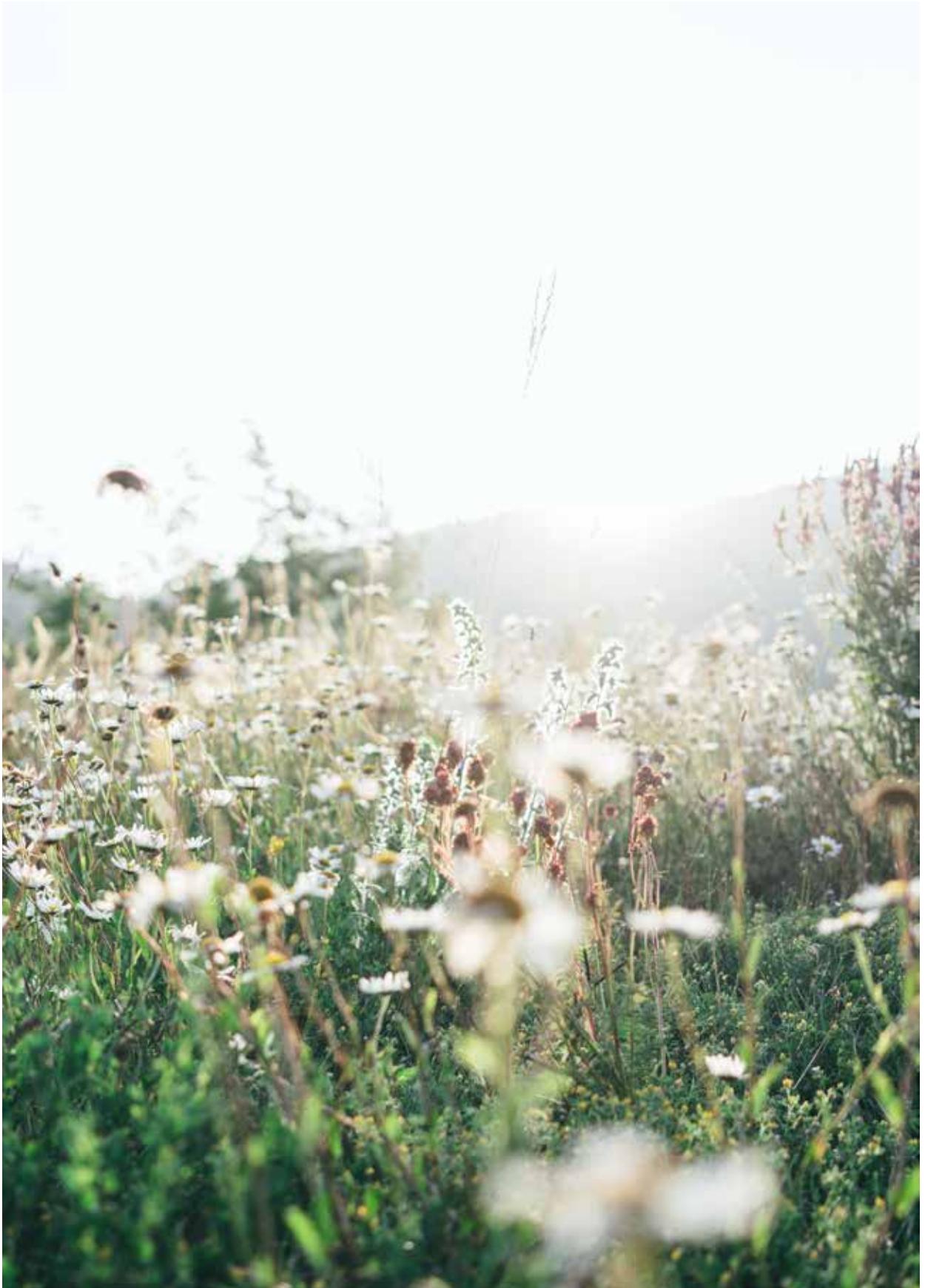




01

NEW LUXURY

“Dedicated to those who are willing to look beyond things,
to those who love to get lost and find themselves again.”



VISION & MISSION



VISION

“To create places of our dreams.”

MISSION

“To become the Italian reference brand in the international market of luxury wellness holidays through the creation of a collection of eco-resorts according to the Italian style and living and the new Lefay concept of luxury.”

CORPORATE VALUES

NEW LUXURY

We believe that the concept of luxury is being re-defined and is becoming more and more focused on aspects such as space, nature, silence, time for oneself, discrete service but still with great attention to detail.

GLOBAL WELLBEING

A wellbeing which embraces the entire holiday experience, wide spaces, both indoors and outdoors, the harmony of the architectural integration, the natural materials used, the “Vital” Mediterranean diet and above all the Lefay SPA Method wellness philosophy are all expressions of Lefay Global Wellbeing.

SUSTAINABILITY

Sustainability means developing a profitable business model by creating something worthwhile, and that means we take our social and environmental responsibilities very seriously.

PEOPLE

The real key to our success is the excellence of our Staff, whose satisfaction for us must be as strategic as the satisfaction of our Guests.

ITALIAN CHARACTER

We offer a slice of contemporary Italian style, taste and elegance. Everything from the interior design, the Mediterranean cuisine, the friendly service and the wellness offering to the attention to detail are delivered in an authentic and traditional Italian way.

BUSINESS MODEL

The Lefay group operates in the following business segments:

- Design, Construction and Management of luxury eco-sustainable wellness resorts;
- Design, Construction and Marketing of branded serviced luxury residences within the Group Resorts;
- Creation and marketing of Lefay branded cosmetics and products.

Lefay distinguishes itself through a fully integrated business model, which starts from the conceptualization and construction up to the management of the accommodation facilities.

Each of the Lefay's Resorts stands out for the following features:

LOCATION

- Destinations of considerable environmental and landscape value
- Easy accessibility for primary markets
- Annual opening

PRODUCT

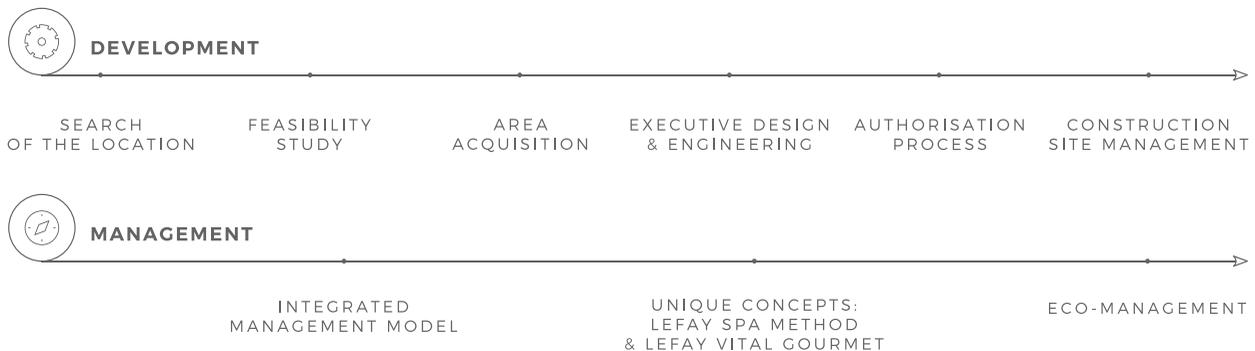
- New or recently built infrastructure
- 60 - 100 Guestrooms of approximately 50 sqm and residences (Villas/Luxury Apartments)
- Central location of the SPA (min. 2,000 sqm)

ENVIRONMENTAL SUSTAINABILITY

- Environmental certifications acknowledged at an international level
- At least 60% of energy produced by renewables sources
- Use of cutting-edge technologies to minimise energy and heat dispersion

MANAGEMENT

- Direct Management through coordinating the Management Company



EXPANSION STRATEGY

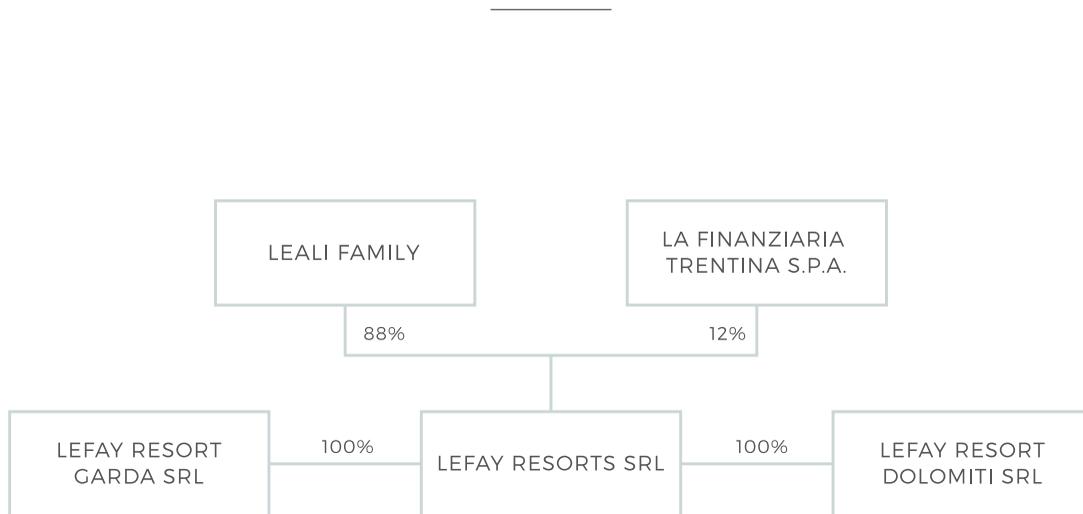


The first phase of the Lefay expansion project involves the completion of the Italian portfolio with three owned properties in Italy and the search for further ones in Central Europe to be operated under management or lease contracts, in collaboration with partner investors

who share our same corporate values and objectives.

The second and third units in Italy are envisaged in the mountains (Dolomites) and in the countryside (Tuscany).

CORPORATE STRUCTURE



Lefay Resorts S.r.l., controlled by the Leali family, is the parent company of the "Lefay Group" and holds the ownership of Lefay Resort Garda S.r.l. and Lefay Resort Dolomiti S.r.l. The parent company Lefay Resorts S.r.l. acts as an operating holding company and as a management company for the Lefay brand; specifically, the Company deals with the development and promotion of the brand (which it owns) and provides the following services to subsidiaries that hold the ownership of the Resorts:

- hotel management services through management & licensing contracts;
- project development & management services for the conceptualization and implementation of new properties;

- central group services including sales & marketing, administration, finance and control, IT services and centralized purchases;
- supply of Lefay branded cosmetics and products.

Furthermore, the parent company handles the research and development of new projects to be carried out under the Lefay brand. Lefay Resort Garda S.r.l. owns and manages Lefay Resort & SPA Lago di Garda, the first Group's property opened in 2008 in Gargnano (BS). Lefay Resort Dolomiti S.r.l. owns and manages the second Resort, Lefay Resort & SPA Dolomiti, located in the Madonna di Campiglio ski area, in Pinzolo (TN),



ORGANISATIONAL STRUCTURE

LEFAY RESORTS



Board of Directors:

Executive Chairman:
DOMENICO ALCIDE LEALI

Executive Directors:
LILIANA BRESCIANI LEALI
ALCIDE LEALI
MASSIMILIANO LEALI

Directors:
GIOVANNI RIZZINI
MASSIMO FEDRIZZI

Supervisory Board:

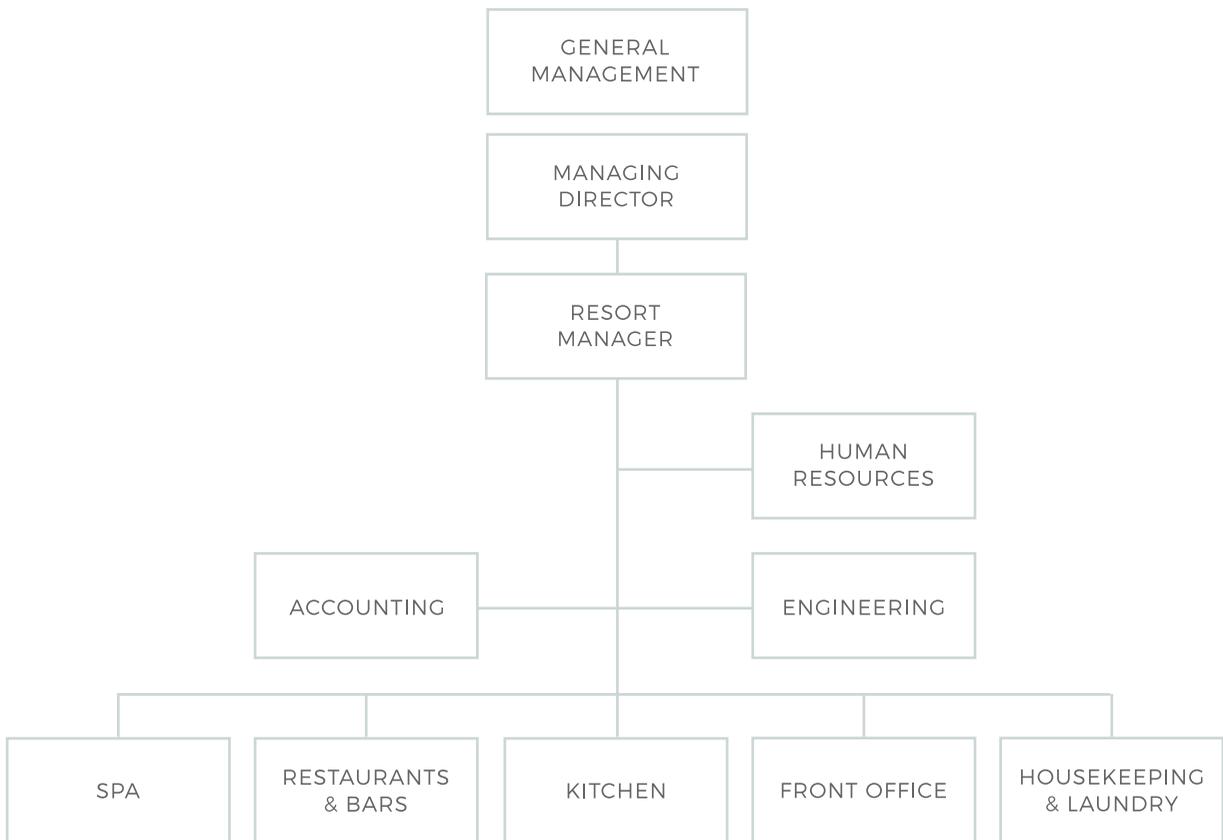
President:
NEVIO DALLA VALLE

Auditors:
CLAUDIO ZORZAN
ENRICO POLLINI

Independent Auditing Company:

BDO ITALIA S.P.A

LEFAY RESORT & SPA LAGO DI GARDA



STAKEHOLDERS

Lefay oriented its strategies towards a sustainable business model, capable of creating competitive advantages for the company, integrating economic and financial objectives with social and environmental aspects from the beginning. To reach these objectives, it was decided to involve the company's stakeholders, i.e. structuring a Stakeholder Management process consisting of four phases. First, all the company's stakeholders have been carefully identified, in light of their ability to influence and/or be influenced by company activities. Subsequently, a dialogue between the stakeholders and the company was established, through the use of various methods and tools for involvement, such as meet-

ings, questionnaires, events, direct and indirect feedback analysis, etc. Through the involvement process it was possible to know and analyse the expectations of stakeholders (interests, needs, perceptions, critical issues, etc.). The first three phases of the Stakeholder Management process actively support the creation of social value: Lefay integrated what emerged from the analysis and involvement of stakeholders in the development of its corporate policies and operational actions. These policies and actions aim to strengthen the company's competitiveness by promoting the issues emerged, such as the protection of the environment, the development of local communities, the creation of shared value.

STAKEHOLDER MANAGEMENT PROCESS

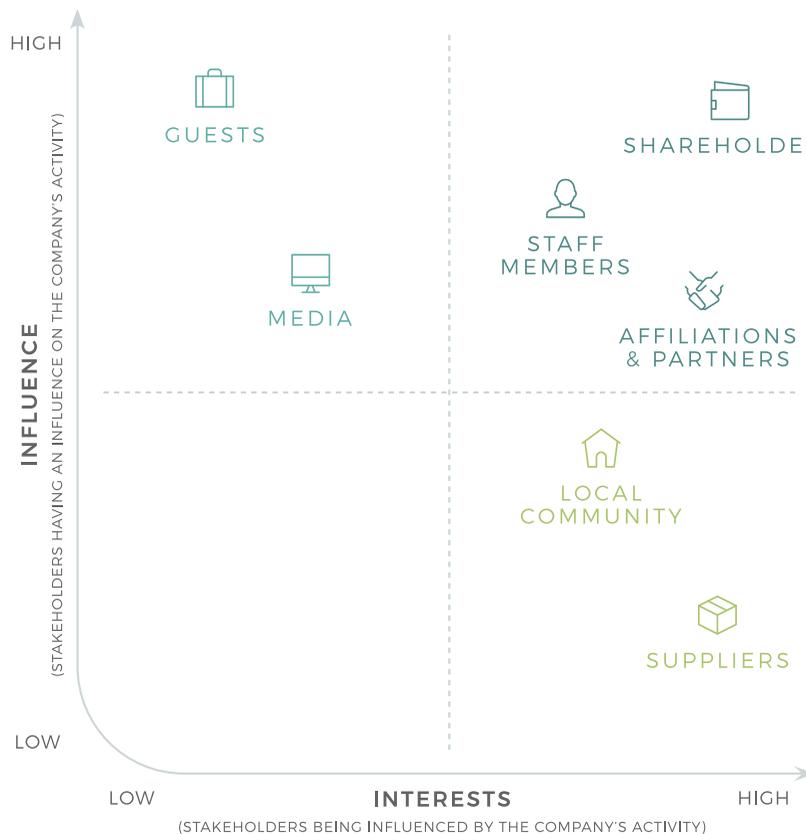


IDENTIFICATION

Through a series of focus groups attended by members of the Executive and Management of the Lefay group, company stakeholders were

identified, and subsequently classified according to their ability to influence and/or be influenced by company activities.

INFLUENCE/INTEREST MATRIX FOR THE STAKEHOLDERS' IDENTIFICATION



INVOLVEMENT

The most suitable methods and tools for structuring a process of involvement were studied for each stakeholder.

Lefay manages actively relations with all of its stakeholders and has established a continuous dialogue with them.

METHODS OF INVOLVEMENT OF STAKEHOLDERS AND MAIN TOPICS

STAKEHOLDER	INVOLVEMENT METHOD	MAIN TOPICS
GUESTS	<ul style="list-style-type: none"> · Satisfaction survey 	<ul style="list-style-type: none"> · Guest Satisfaction · Sustainability policy adopted by Lefay
AFFILIATES & PARTNERS	<ul style="list-style-type: none"> · Fam Trip · Showcase, Workshop e Sales Call · Marketing promotion materials 	<ul style="list-style-type: none"> · Promotion of local heritage · Guest Satisfaction · Sustainable practices adopted by Lefay
STAFF	<ul style="list-style-type: none"> · Employee satisfaction survey · Annual meeting for the evaluation of results · Development of the career development plan 	<ul style="list-style-type: none"> · Sustainability policy adopted by Lefay · Compensation & benefits · Professional development · Health and safety in the workplace · Training
SUPPLIERS	<ul style="list-style-type: none"> · Meetings to discuss the principles and criteria of the supply chain · Drawing up of agreements with local producers 	<ul style="list-style-type: none"> · Sustainability policy adopted by Lefay · Economic performance · Eco-efficiency · Certifications · Organic productions / products · Water savings · Environmental protection · Protection of biodiversity · Quality of products · Safety and Security of supply
MEDIA	<ul style="list-style-type: none"> · Stays at the property · Sending information · Organization of interviews 	<ul style="list-style-type: none"> · Eco-sustainable tourism · Sustainability policy adopted by Lefay · Promotion of local heritage (cultural, historical, environmental, etc ...) · Sponsorship of local initiatives (cultural, sporting, etc.)
LOCAL COMMUNITY	<ul style="list-style-type: none"> · Membership of Local Associations 	<ul style="list-style-type: none"> · Impact on the local community (positive and negative) · Acquisition & Retention of local talent · Promotion of local heritage (cultural, historical, environmental, etc.) · Development of local communities · Sponsorship of local initiatives (cultural, sporting, etc.)
SHAREHOLDERS	<ul style="list-style-type: none"> · Shareholders' annual meetings 	<ul style="list-style-type: none"> · Economic performance · Efficiency and eco-efficiency · Risk assessment and monitoring · Reputation



GUESTS - Lefay pays the utmost attention to protecting the privacy of its Guests and, at the same time, uses various tools to identify their level of satisfaction and their interest in the Company's sustainability policy to ensure a transparent dialogue.



AFFILIATES & PARTNERS - Lefay manages directly the relationship with its affiliates such as Small Luxury Hotels of the World, Virtuoso, Traveller Made and Healing Hotels of the World. It also handles relationships with Tour Operators and Travel Agencies that choose the Resort for business conventions.



STAFF - Expectations and the level of satisfaction of the Staff are monitored annually through specific questionnaires and during the annual performance assessment meeting; specific career plans are developed for each Staff Member.



SUPPLIERS - The relationship with suppliers is governed by the principles detailed in the company's procurement policy and Lefay Resorts undertakes to constantly verify that they are put into practice. The company organizes meetings with its suppliers to discuss critical issues, news, areas for improvement, etc.



LOCAL COMMUNITY - With regards to the relationship with the Local Community, Lefay Resorts participates actively in the development of the area, by hiring local people, sponsoring activities and initiatives in the territory, and by making the local area known to its Guests and journalists.



MEDIA - Lefay Resorts manages the relationship with Media via the Marketing Department and with the collaboration of international PR through various public relation and communication activities.



SHAREHOLDERS - The shareholders support and guide the company in the key decisions to strive constantly to achieve economic, environmental and social improvement.

EXPECTATIONS ANALYSIS

Over the years, thanks to the various channels of communication, Lefay has identified and monitored the expectations of its Stakeholders, trying to find a balance between the various interests, sometimes in conflict with each other. Lefay has also developed a system of stable and lasting relationships with them, in order to create shared value. Lefay Resorts undertakes

to disseminate the Sustainability Report and its contents by means such as, targeted emails and individual meetings with the stakeholders. These actions are aimed at involving them in order to have a feedback about the presented data and understanding in turn whether further information is needed to complete the document and make it even more transparent.

ANALYSIS OF STAKEHOLDERS' EXPECTATIONS

STAKEHOLDER	EXPECTATIONS
 GUESTS	<ul style="list-style-type: none"> · Excellence of service offered · Respect of privacy
 AFFILIATES & PARTNERS	<ul style="list-style-type: none"> · Commitment to complying with the standards and to fulfil specific requests · Data from clear sources, preferably certified by third parties · Continual improvement of the company's economic performance
 STAFF	<ul style="list-style-type: none"> · Improvement of information, communication and consultation between departments to gather new inspiration and ideas · Professional training and growth
 SUPPLIERS	<ul style="list-style-type: none"> · Increase in turnover of local suppliers · Development of the partnership to foster the search for new products and therefore new business opportunities.
 MEDIA	<ul style="list-style-type: none"> · Constant and transparent communication. · Participating in meetings and educational initiatives to raise awareness of the Lefay Experience and to promote the territory's landscape and cultural heritage known
 LOCAL COMMUNITY	<ul style="list-style-type: none"> · Motivated economic development of the area · Respect for the environment
 SHAREHOLDERS	<ul style="list-style-type: none"> · Creating profit by increasing the social and environmental value generated by the activities performed · Transparency in external relation

SOCIAL VALUE CREATION

The business model developed by Lefay Resorts is designed to create social value by taking into account the concept of widespread growth.



GUESTS - By choosing Lefay, Guests have the opportunity of living an enriching experience that combines the quality of services and products with the possibility of deepening their knowledge of wellness and high-level sustainable accommodation.



AFFILIATIONS & PARTNERS - Partners and Affiliates that propose Lefay Resort & SPA Lago di Garda to their customers have the possibility of increasing their own knowledge and their professional skills, though the services offered by the company.



STAFF - Staff Members are given the opportunity to grow professionally and to develop their skills, through ongoing training activities and the improvement of teamwork, enhancing individual expertise and creativity.



SUPPLIERS - Suppliers benefit from advantages relating to reputation and the sustainable management methods of existing activities.



MEDIA - Media that have the opportunity to live the Lefay experience are able to appreciate and communicate the value of the services and products offered, as well as understand that the combination of high quality and social and environmental sustainability is possible.



LOCAL COMMUNITY- The community in which the company operates benefits in part from visibility, but also from direct support to cultural and sustainable initiatives.



SHAREHOLDERS - Shareholders benefit from an increase in economic, social and environmental value generated by the Company's activities.

MATERIALITY

PROCESS TO DETERMINE MATERIALITY

The materiality of the aspects taken into account in reporting system is the result of the following process: identification, assessment and allocation of the priorities of sustainability issues which significantly influence the company's ability to create value in the short, medium and long-term. Lefay Resorts structured a process starting with the identification of the main issues for the company business, carried out by the Lefay Management. Then the determination of the material themes is integrated with the analysis of the data concerning:

Guests' satisfaction and suggestions: Lefay Resorts receives feedback from its Guests by emailing a survey to those who agreed to participate. The objective is to identify relevant themes which are important to the creation of value and to assess the extent to which sustainability is integrated into corporate processes and understood by Guests.

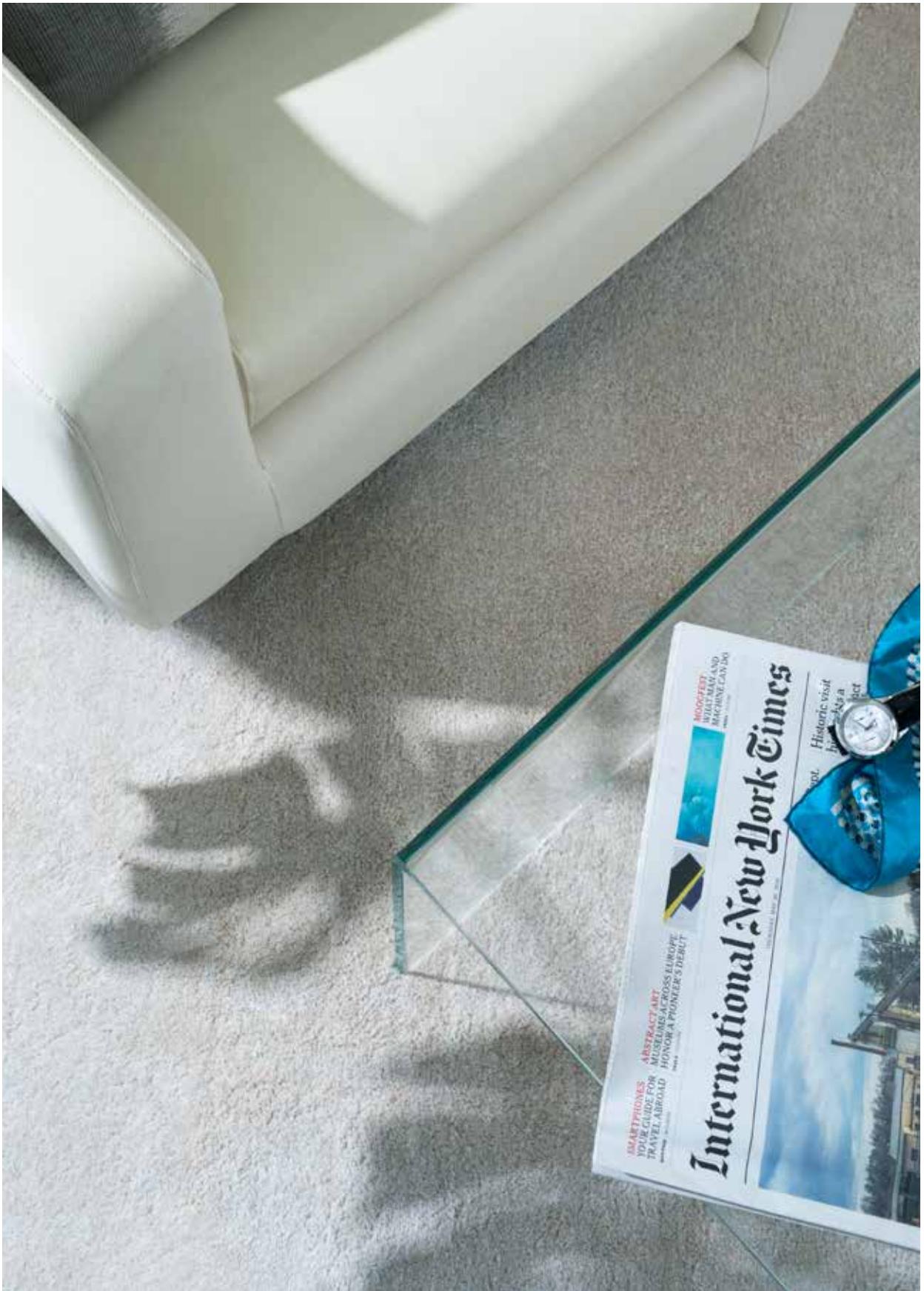
Staff's satisfaction and suggestions: Given the importance of the Staff in the hospitality industry, Lefay Resorts believes it is important to receive direct feedback from its employees to identify relevant issues and the effectiveness of integrating sustainability into business processes in order to create value. These data are collected annually through an internal survey.

The development of the local community: Lefay has established a continuous dialogue with the Local Community in order to promote its social and economic development. For this very reason, Lefay constantly monitors how much and in which areas the integration of sustainability in business processes favours or can favour the sustainable development of the Local Community, thereby identifying the relevant issues.

The emergence of particular environmental, economic and social problems: In the materiality process, all issues related to the emerging at local, national and international level of particular environmental economic and social problems, have been considered.

The adoption of new environmental, economic and social standards: In the materiality process, all issues related to the adoption at local, national and international level of standards, guidelines and agreements that set new objectives in the environmental, economic and social fields have been considered.

Following the identification of the relevant issues, relative importance has been attributed by assessing the significance of economic, environmental and social impacts and influence on stakeholders assessments and decisions.



HIGH RELEVANCE

BRAND VALUE AND REPUTATION

High relevance from the point of view of economic impacts and strong influence over the assessments and decisions of Shareholders, Guests and Employees.

CORPORATE RESPONSIBILITY

High relevance from the point of view of economic, environmental and social impacts and strong influence over the assessments and decisions of Shareholders and the Local Community, Affiliates and Partners, Media and Guests.

ENHANCEMENT OF HUMAN RESOURCES, STAFF'S TRAINING, INTERNAL COMMUNICATION AND CLIMATE

High relevance from the point of view of social impact and strong influence over the assessments and decisions of Employees and Guests.

STAFF'S HEALTH AND SAFETY

High relevance from the point of view of social impacts and strong influence over the assessments and decisions of Employees, Shareholders and the Local Community.

DIALOGUE WITH STAKEHOLDERS

High relevance from the point of view of economic, environmental and social impact and strong influence over the assessments and decisions of all Stakeholders.

LOCAL SUPPLY

High relevance from the point of view of economic, environmental and social impacts and strong influence over the assessments and decisions of Suppliers and the Local Community.

INCOME AND JOB CREATION

High relevance from the point of view of economic impact and strong influence over the assessments and decisions of the Local Community, Shareholders and Employees.

COMPLIANCE WITH REGULATION IN FORCE AND CRIME PREVENTION

High relevance from the point of view of economic, environmental and social impact and strong influence over the assessments and decisions of all Stakeholders.

ENVIRONMENT AND BIODIVERSITY PROTECTION, EMISSIONS TO THE ATMOSPHERE

High relevance from the point of view of environmental impact and strong influence over the assessments and decisions of Guests, Local Community and Employees.

DEVELOPMENT OF LOCAL COMMUNITY, PROMOTION OF ARTS, CULTURE AND SPORT

High relevance from the point of view of the economic and social impact and strong influence over the assessments and decisions of the Local Community, Guests, Employees and Media.

MEDIUM RELEVANCE

ENERGY EFFICIENCY

High relevance from the point of view of economic and environmental impact and low influence over the assessments and decisions of Shareholders and Local Community, Employees, Memberships and Partners, Media and Guests.

WATER ABSTRACTION, SEPARATE COLLECTION AND REDUCTION OF WASTE PRODUCTION

High relevance from the point of view of economic and environmental impact and low influence over the assessments and decisions of Shareholders and Local Community, Employees, Affiliates and Partners, Media and Guests.

DIVERSITY AND EQUAL OPPORTUNITIES

High relevance from the point of view of social impacts and low influence over the assessments and decisions of Shareholders and Employees.

PRIVACY PROTECTION

Low relevance from the point of view of economic and social impact and strong influence over the assessments and decisions of Guests.

RESPONSIBLE COMMUNICATION AND MARKETING

Low relevance from the point of view of economic, environmental and social impact and strong influence over the assessments and decisions of Guests.

LOW RELEVANCE

VEHICLE TRAFFIC

Low relevance from the point of view of environmental impact and low influence over the assessments and decisions of Local Community, Guests and Suppliers.

HUMAN RIGHTS

Low relevance from the point of view of social impact and low influence over the assessments and decisions of Local Community, Employees and Guests.

INTELLECTUAL CAPITAL PROTECTION

Low relevance from the point of view of economic impacts and low influence over the assessments and decisions of Shareholders and Employees.

CONTAMINATION OF SOIL AND SUBSOIL

Low relevance from the point of view of environmental impact and low influence over the assessments and decisions of Local Community, Guests, Media, Affiliates and Partners.

During the Management Review, the results achieved in the various topics are analysed. The achievement of targets is constantly monitored by means of audits and data analysis; this allows to intervene with corrective actions during the process if a deviation from the expected results

occurs. During the Management Review, also objectives for improvement for the following year are established, which will be put into practice by the Company Managers, through the coordination and supervision of the Quality & Sustainability Manager.

MATERIAL ASPECTS





LEFAY RESORT & SPA LAGO DI GARDA



Lefay Resort & SPA Lago di Garda is located in Gargnano, in the heart of the enchanting and renowned Riviera dei Limoni. It is the first Luxury 5-Star Resort on Lake Garda covering 11 hectares of natural park, surrounded by gentle hills and natural terraces rich in olive trees and woods overlooking the lake.

THE RESORT FEATURES:

- 93 Suites divided into five categories:
 - 41 Prestige Junior Suites (50 sqm)
 - 43 Deluxe Junior Suites (50 sqm)
 - 4 Family Suites (73 sqm)
 - 4 Exclusive Suites (83 sqm)
 - 1 Royal Pool & SPA Suite (max 600 sqm)

SPA of 3.800 sqm with:

- 21 treatment rooms
- 2 private SPAs
- 3 heated swimming pools
- 1 heated salt-water lake pool
- 3 relaxation areas
- 6 different kinds of sauna and Turkish baths
- 1 Fitness Centre with equipped gym and 1 fitness studio
- Energy-Therapeutic Garden

2 Restaurants:

- La Grande Limonaia Restaurant
- Trattoria La Vigna

2 Bars:

- Lounge Bar
- Pool Bar

Gardens of 11 hectares for outdoor activities with running and walking trails

3 meeting areas with a capacity of 10 to 60 people

LEFAY RESORT & SPA DOLOMITI

NEW OPENING (AUGUST 2019)



Lefay Resort & SPA Dolomiti stands in the ski area of Madonna di Campiglio, in Pinzolo, the largest town in the Rendena Valley. It is the second jewel of the Collection, set in the splendid scenery of the Dolomites, declared by UNESCO a "World Heritage Site".

THE RESORT FEATURES:

88 Suites divided into five categories:
51 Prestige Junior Suite (57 sqm)
26 Deluxe Junior Suite (57 sqm)
5 Family Suite (92 sqm)
5 Exclusive SPA Suite (100 sqm)
1 Royal Pool & SPA Suite (max 430 sqm)

22 Residences divided into four categories:
11 One Bedroom (from 97 sqm)
8 Two Bedroom (from 141 sqm)
2 Three Bedroom (from 201 sqm)
1 Penthouse (278 sqm)

SPA of 5,000 sqm on 4 levels with:
20 treatment rooms
2 private SPAs
3 heated swimming pools
1 heated salt-water lake pool
1 Family Sauna
Fitness Centre with equipped gym
and 2 fitness studios

Energy-therapeutic Path with:
5 energetic stations created according to
Classical Chinese Medicine
5 dedicated relaxation areas
9 different kinds of sauna and steam baths

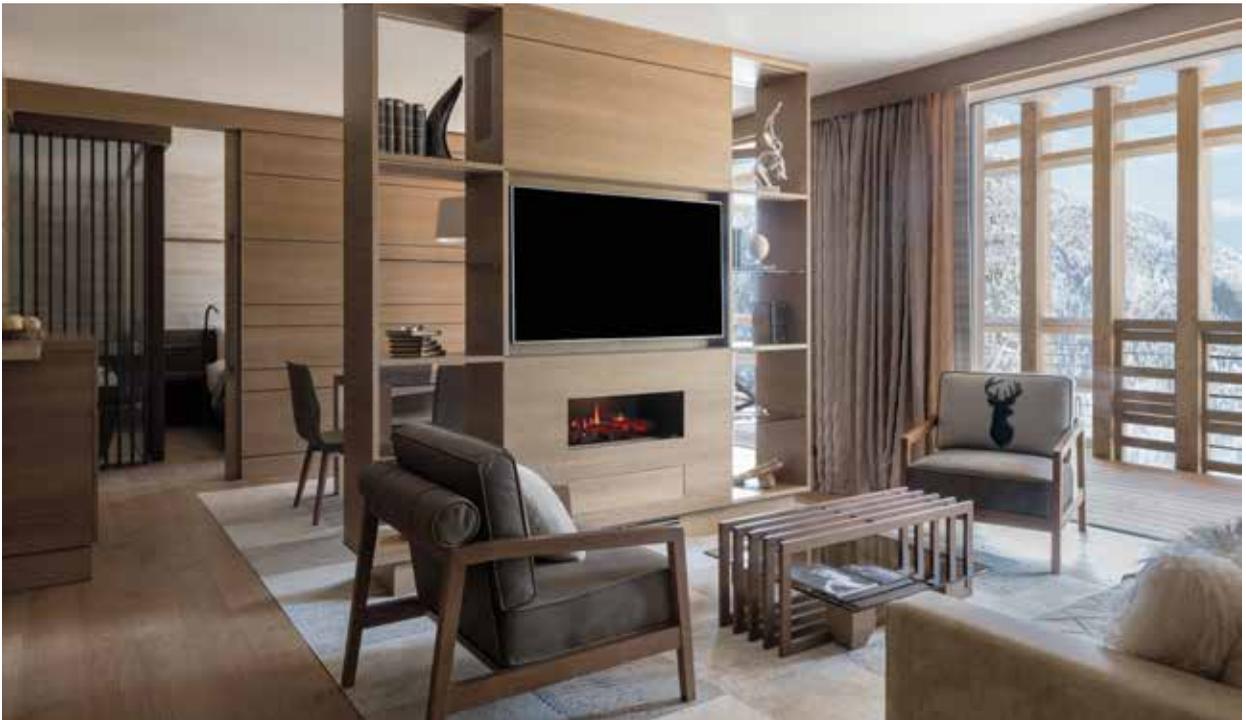
2 Restaurants:
Dolomia Restaurant
"Grual" - Organic Restaurant (available from
December 2019)

2 Bars:
Lounge Bar
Sky Lounge

2 meeting areas with a capacity of 10 to 64 people



LEFAY WELLNESS RESIDENCES



In 2018 the Group officially entered the “Serviced Branded Residences” segment (luxury residences with integrated hotel services), thus becoming the first SPA Destination in Italy to offer this kind of solution. Lefay Wellness Residences are the perfect union of the Brand’s values: new luxury, holistic wellness, sustainability and the exclusivity of 5-star services. Owners may match the privacy of being at home with all the Resort’s services, including the multi award-winning Lefay SPA, the Lefay Vital Gourmet restaurants, the lounges and the concierge service. The interior design features local materials combined with the uniqueness of the Made in Italy design and is equipped with low

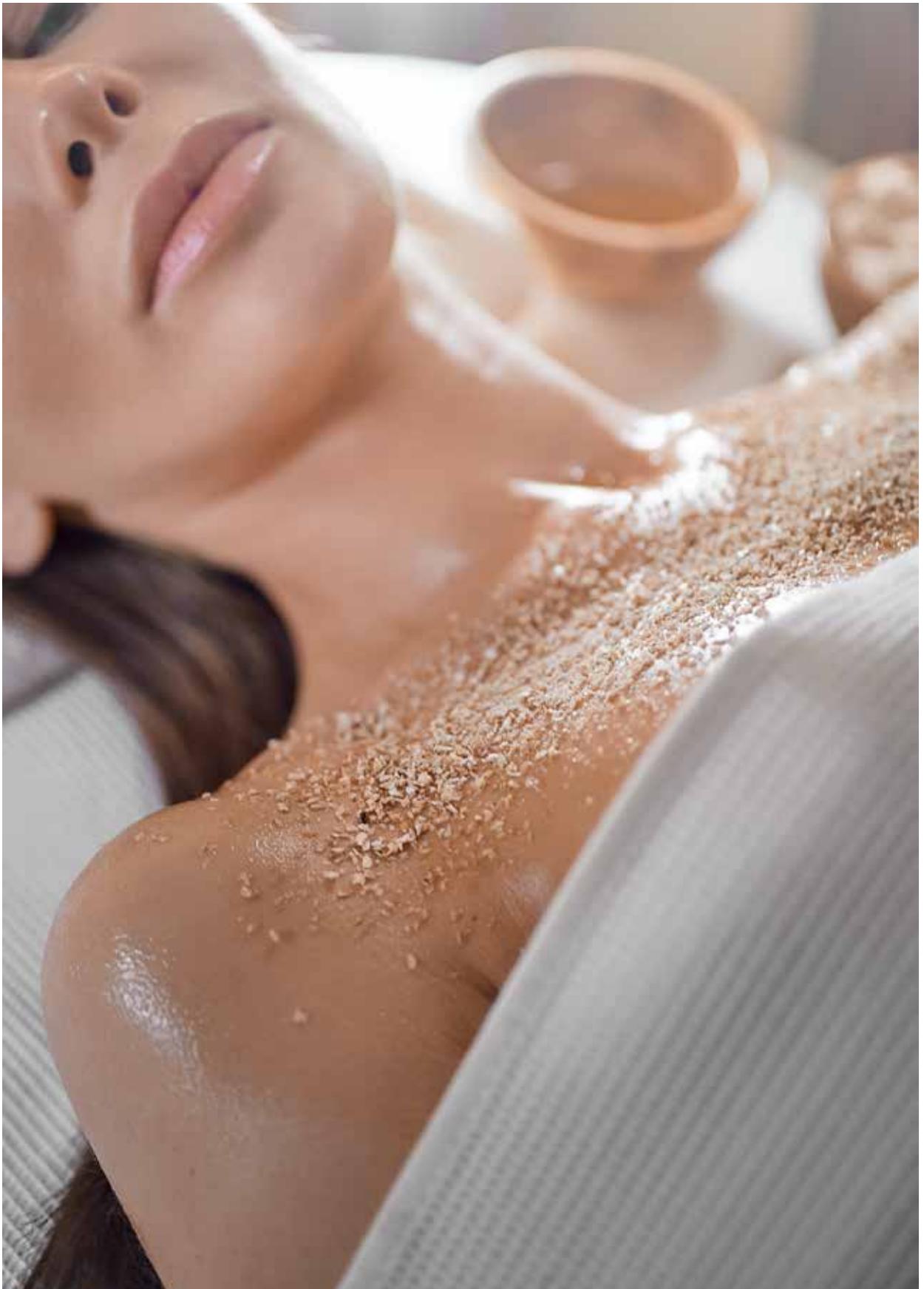
environmental impact technology. In addition to this, Lefay Wellness Residences also represent an investment opportunity that guarantees value over time and offers a range of valuable benefits. Owners can sign up to the Rental Programme, a solution that allows them to make their residence available to the Resort when not in use, thereby receiving the return generated by the sale revenue. This allows Owners to flexibly organise their holidays and, at the same time, maximise the income of their unit, knowing that it is fully taken care of by the Resort Staff and in perfect condition upon arrival.

LEFAY WELLNESS RESIDENCES DOLOMITI



The first Wellness Residences, located within Lefay Resort & SPA Dolomiti, are on sale since July 2018. They are distinguished by precious materials such as oak, local tonalite stone, burnished glass, travertine and fine Italian fabrics. Furniture is tailor-made and mixes artisan expertise with Italian design, creating an environment in harmony with the surrounding mountains. Each single unit has been studied to offer an excellent home experience in full respect of the environment, thanks to building energy class A certification and the use of renewable energy

sources as well as state of the art entertainment technologies. Owners will have direct access to the Resort's facilities from their Residence, among which a 5,000 sqm wellness area (one of the largest Spas in the Alps), two restaurants and other services such as bars, ski & bike room, lounge and Concierge. Residences will be available in four categories starting from 97 sqm up to the exclusive 278 sqm Penthouse. The delivery of the units is scheduled for autumn 2019. All the details and insights are available on the new website: lefayresidences.com.



LEFAY SPA: THE EXCLUSIVE TEMPLE TO HOLISTIC WELLNESS

Innovation, natural spirit and a unique method are the principles of Lefay SPA, a holistic well-being philosophy that focuses on the wellness area, beating heart of every Lefay Property, and extends into every aspect of the holiday: nutrition, harmony with the surrounding environment, certified cosmetic products. A concept that stands out thanks to innovative guidelines that head the Brand towards the creation of a place where East and West blend in perfect harmony with the surrounding environment: the wide surface of the spaces, the sustainable management of the structure, the exceptional comfort of the treatments cabins, the use of the exclusive Lefay SPA Cosmetics Line and the creation of Lefay SPA Method, an innovative wellness method.

LEFAY SPA METHOD

It is the result of studies and research of the Lefay SPA Scientific Committee, composed by medical experts in the various holistic disciplines, and combines Classical Chinese Medicine with Western scientific research.

This union is the basis of the Lefay SPA Method Health Programmes offered at Lefay Resort & SPA Lago di Garda, customised according to individual needs, to achieve a complete mental and physical wellness with specific objectives: managing weight, relieving stress, getting into physical shape, treating insomnia, combating the signs of ageing and detoxifying the body.

At Lefay Resort & SPA Dolomiti instead, these principles can be found inside the saunas area, created according to Classical Chinese Medicine: the circuits, with different levels of temperature and humidity, dedicated phyto- and aromatherapies, are

customised according to the energetic condition of the Guest. From the Centre, the place of connection, all other stations can be reached: The Green Dragon, The Red Phoenix, The White Tiger and The Black Tortoise are the stages within a world of similarities and symbolism to rediscover the energetic balance.

LEFAY SPA TREATMENTS

Lefay SPA treatments stand out through the Signature treatments that have been created combining traditional massage techniques to stimulate energy points and meridians and are tailor-made for the individual's physical and mental state, for a deep and long-lasting result. Each treatment is listed and described in detail in the Lefay SPA technical protocols, used for the entire staff training process. These include energy massages, energy aesthetic rituals for face and body, and the non-invasive aesthetic medicine treatments.

"TRA SUONI E COLORI" DERMATOLOGICAL COSMETICS LINE

The Lefay SPA cosmetic line was created according to the Lefay SPA philosophy in accordance with the principles of nutricosmetics. Products are without colourings, preservatives and parabens and Vegan OK and Cruelty Free certified. Formulations with a high concentration of antioxidants, vitamins, phyto complexes and organic olive oil allow it to deeply treat the skin's imbalance and guarantee results over time. The 50 individual products, classified into five specific lines (Face and Body, Anti-Age, Cosmos Organic Certified Oils, Men's and Bath) were created with a strong orientation to ethics formalized by the most important international environmental certifications.

GREEN CUISINE: LEFAY VITAL GOURMET

“Even food may become food for the soul.”

Food is integral part of a wellness experience, this is why Lefay Vital Gourmet privileges its health aspects combining fresh ingredients with the Chef's creativity. This culinary concept focuses on the Mediterranean Diet in which extra virgin olive oil reigns supreme. Part of this philosophy is also

the Lefay SPA Menu, inspired by the principles of the exclusive Lefay SPA Method wellness concept, and is a tasty, light, detoxifying and healthy way of eating that uses simple ingredients and short cooking times so that the organoleptic qualities of the foods remain unchanged.

THE FIVE PRINCIPLES OF LEFAY VITAL GOURMET CULINARY PHILOSOPHY

MEDITERRANEAN DIET - cereals, fruit and vegetables, fish, meat and low-fat dairy products are the key elements of this diet, enhanced by the use of Lefay extra-virgin olive oil.

SEASONAL NATURE - the ingredients used to prepare the dishes are in harmony with the changing seasons.

ITALIAN SPIRIT - all of our dishes are inspired by local gastronomic excellences and enhance Italian products in a different way.

ETHICS - Lefay Vital Gourmet undertakes not to use endangered animal and fish species in its preparations or products obtained using violent methods.

SUPPLIERS - we privilege local suppliers, preferably suppliers which adopt an organic agricultural production system, consistent with Lefay's philosophy.



GUEST'S SATISFACTION

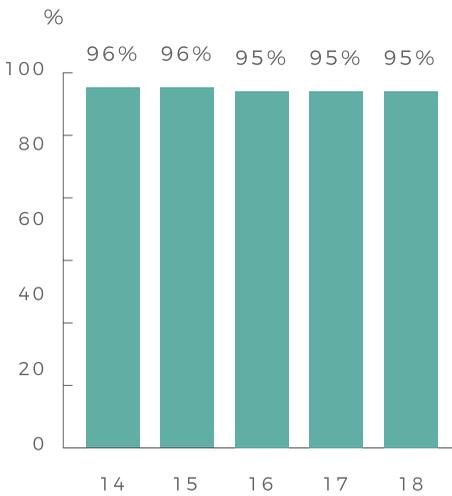
As a way to exceed Guests' expectations, Lefay Resorts has created a method of service based on combining internationally renowned standards of excellence with an innovative offer that is unique in the industry. It is precisely for this reason that Lefay Resorts has chosen to implement a Quality & Environment Management System. This system utilises various tools that each day help to maintain continuous control over the level of quality of the services offered and full compliance with legislation regarding Health and Safety, HACCP and Privacy.

First of all, to verify the level of satisfaction perceived by Guests, a system of measuring customer satisfaction was defined, which was fully computerised to avoid wasting paper. This system enables Guests to assess and give their opinion on various aspects of their stay. These include, in particular, an overall assessment of their experience while staying at the Resort, the rapidity and precision of booking and check-in, the cleanliness and comfort of the guestrooms, the quality of the food in the various dining outlets (breakfast, lunch, dinner and bars), the quality of the SPA treatments and the courteousness and professionalism of the Staff. The company undertakes to provide a prompt and timely response to all Guests who ask for a reply. Feedback also comes from Guests by continuously monitoring of comments published on some of the main travel websites, such as Tripadvisor and Booking.com.

Another useful tool for identifying any problems and putting in place improvement actions involves inspections and audits. At the beginning of the year, a monthly schedule is defined. It includes inspections conducted by the Product Manager on the standards of service; inspections conducted by the Quality & Sustainability Manager, alone or supported by external consultants, to test compliance with service standards, current legislation on Occupational Health & Safety, HACCP, Privacy and simultaneously verify the Quality and Environment System; audits conducted by certification bodies to assess compliance with the requirements of the various schemes; Mystery audits of standards relating to Small Luxury Hotels of the World and Fine Hotels & Resorts affiliations or on Lefay standards (in the latter case organized by specialised companies appointed by the company itself).

Periodically, all comments left by Guests through the different channels available and the results of the inspections are analysed by Senior Management and monitored together with the various departments in order to identify the causes of dissatisfaction and specific criticisms. Through this information management system and thanks to the focus of the company on continual improvement, Lefay Resorts takes specific actions to resolve any problems and continue to maintain high levels of satisfaction of its Guests, creating not just a positive word-of-mouth, but also excellent results in terms of loyalty: in fact, for the year

OVERALL GUESTS' SATISFACTION



Source: Guests' Surveys.

2018 the percentage of repeating Guests was 26%, an increase of 3 percentage points compared to 2017. Lastly, it should be noted that the number of documented complaints during 2018, as well as 2017, regarding breaches of privacy and the loss of consumers' data corresponded to 0.

QUALITY CONTROL TOOLS



In 2018, 72 audits were carried out. In particular:

- 63** Internal Audits: inspections of the Quality and Environmental System; Health and Safety, Privacy and HACCP inspections, product audits
- 5** External Audits conducted by certification bodies
- 2** Mystery Audits on the standards foreseen by FH&R and SLH affiliations
- 2** Mystery Audits on Lefay's standards

WEB REPUTATION



■ Guest satisfaction

Source: Revinate. The graph shows the average level of satisfaction expressed by the users of the main travel review websites (Tripadvisor, Booking.com, Expedia, etc.).

BRAND COMMUNICATION

Since it was founded, the company has always invested considerable resources in communication, aware of the importance of transmitting its identity to all stakeholders. The strength of the Brand, the properties, the residences, the commitment to sustainability, the concept of holistic well-being and the Italian spirit: all these aspects of Lefay Resorts are periodically widespread through online and off-line actions, planned each year thanks to a dedicated communication strategy, outlined by the Communication department and the General Management. This process is carried out in the key reference markets, thanks to the collaboration with prestigious PR and press agencies in Italy, United Kingdom, Germany-Austria-Switzerland and Russia.

OFFLINE COMMUNICATION AND PUBLIC RELATIONS

In addition to the care of all Lefay promotional materials (printed on natural papers with certified inks), including the valuable product brochures and the annual edition of Lefay Magazine, great attention is devoted to press relations. Every year, invitations are issued to selected journalists from all the target markets, belonging to the most prestigious magazines in the lifestyle, luxury and travel sectors: in 2018 alone, a total of 658 articles were published (2% more than in 2017). The figure is broken down by main market as follows: 433 articles for the Italian media; 101 for the German, Austrian and Swiss media; 63 for the UK and 61 for Russia and CIS countries.

To ensure a continuous relationship with the public, Lefay Resorts organises events and roadshows to share important news or to facilitate a direct exchange regarding on-going projects. During the year, press releases are issued and appointments and media calls are organised with the editorial offices of the major publishing groups. Lastly, a huge effort is made to select and participate in international awards, taking care of the various stages of the application process (application, promotion of votes, nominations and potential communication of the victory).

WEB & DIGITAL COMMUNICATION

Lefay Resorts operates in the main social channels used by the public: here, through an editorial plan that includes content of different nature, the Brand values are strengthened and Guests/Fans are informed about all product and informative updates. In 2018, the Lefay profile on Facebook achieved more than 50,000 likes (almost 10,000 more than the previous year), while the Instagram account overcame 26,000 followers (approximately the double of the previous year). On the social network Twitter, the profile is followed by more than 1,900 people and on the LinkedIn platform there are more than 2,500 links.

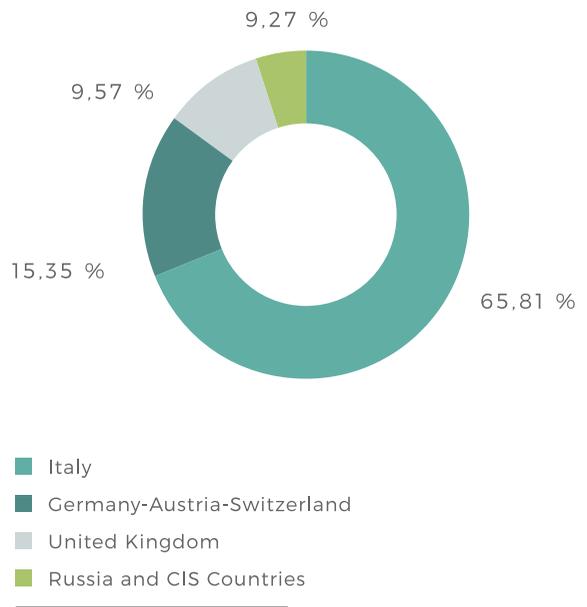
These channels and other selected digital platforms are also the focus of promotional campaigns that support the positioning of the website, which is part of the "CO₂ Emission Zero" programme promoted by Rete Clima and aimed at neutralising the emissions generated by the site in relation to the pageview.

The contents published on the web are also enriched with unedited images taken within the Resort by leading international photographers. To communicate with interested Guests and Users, Lefay Resorts sends out newsletters with commercial and informative contents, offering insights published in the Lefay Web Magazine, online since 2018. Over the years, the collaboration with selected web influencers and bloggers, aimed at increasing visibility, has become increasingly important.

ENVIRONMENTAL COMMUNICATION

Consistently with the “Lefay Total Green” project, a series of communication tools have been developed to raise Guest and public awareness of the activities carried out by the company to reduce its environmental impact and to neutralise its carbon footprint. Among these, the introduction of the “Lefay Total Green” brand on various communication materials (e.g. Brochures, Lefay Club Magazine, etc.) and on the materials used in the Resort. Also, the Green Book has been introduced, an environmental communication tool that each Guest finds in his/her bedroom illustrating the measures being implemented by the Resorts to reduce their environmental impact and invite Guests to contribute personally.

PRESS COVERAGE PER MARKET 2018



In 2018 more than 650 articles were published thanks to the intense communication campaign carried out both nationally and abroad.

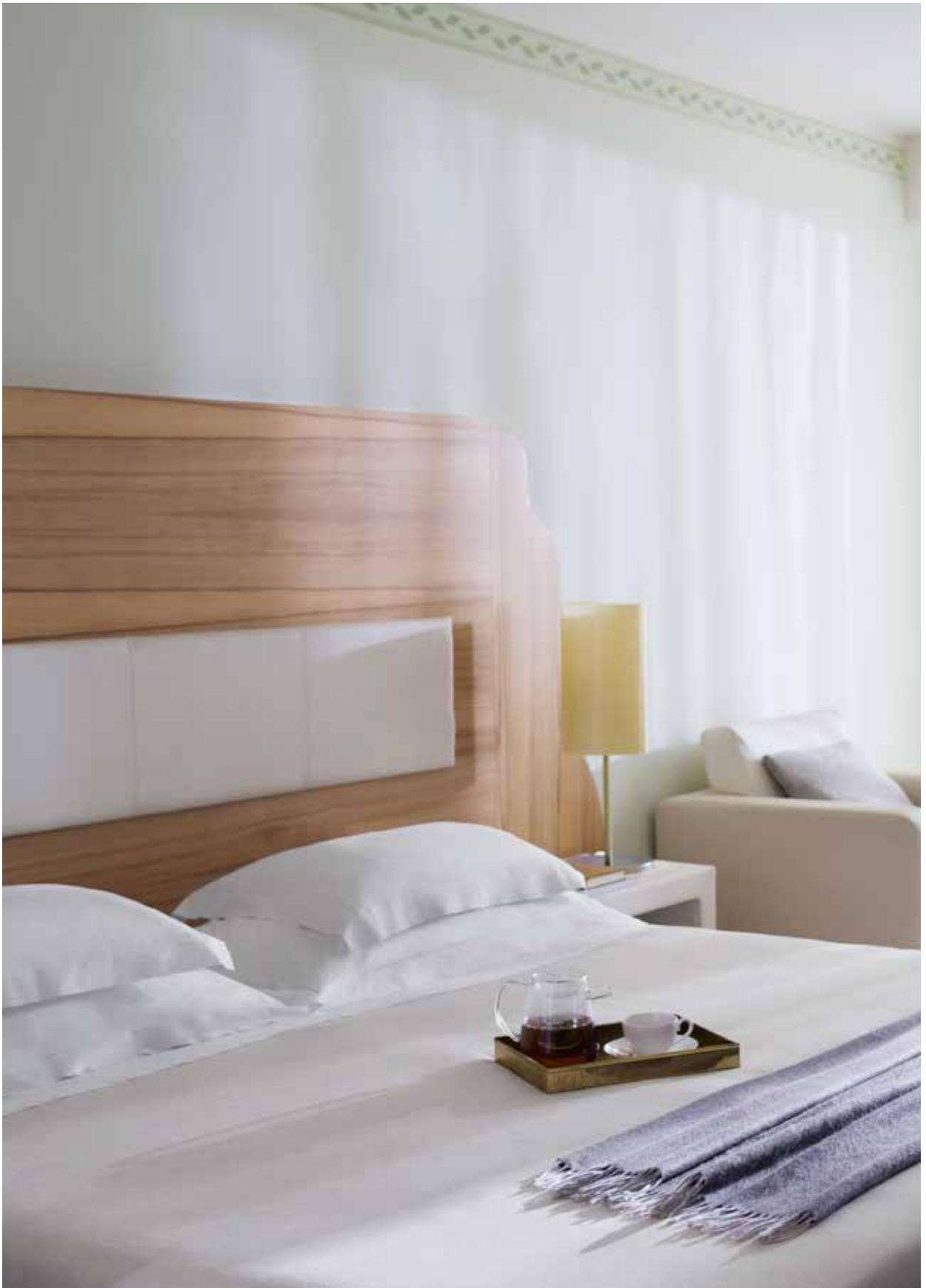
NEW PROJECTS



LEFAY RESORT & SPA LAGO DI GARDA

After the construction of the first Serviced Branded Residences at Lefay Resort & SPA Dolomiti, the Group plans to introduce the same product in Gargnano, on Lake Garda, inside the 11 hectare natural park where the first jewel of the Collec-

tion is located. An important renewal project will also take place: in addition to the restyling of all 93 Suites, restaurants and the lobby, 3 new Suites will be created and Lefay SPA will be further expanded with a new wellness area dedicated exclusively to adults.





02

EXCELLENCE IN SUSTAINABILITY

“There are places where the atmosphere
is perfect because the environment is uncontaminated.”

INTRODUCTION



Sustainability means developing a business model that is aimed at achieving financial-economic results, creating “value” and therefore paying greater attention to environmental and social responsibility. A thought that makes explicit the commitment of Lefay towards sustainability and comes to life in the practices with actions aimed at full respect for the environment: bio-architecture and exploitation of renewable energy sources, neutralization of emissions of CO₂, the promotion of the territory and professional development of Staff Members. Principles that guide the Management Company and can be found in the Group’s Resort and Residences, where the new luxury goes beyond ostentation, opulence and aesthetic taste as an end in itself, and instead

is allied to ethical values and a philosophy of holistic wellbeing, according to which the wellbeing of the person cannot overlook the environmental one. At Lefay Resort & SPA Lago di Garda, the first jewel of the collection, luxury and environmental sustainability coexist giving life to a stay characterized by holistic wellbeing. The Resort’s activity has an ecological impact reduced to a minimum. The interventions implemented to achieve this goal are found in a design integrated in the landscape, in a management of the Resort that adopts measures and technologies dedicated to the optimal exploitation of natural resources, in the promotion of Lake Garda and the development of the Staff.

ECONOMIC PERFORMANCE

LEFAY RESORTS GROUP

Starting from 2017, Lefay Resorts S.r.l. has begun to prepare the consolidated financial statements on a voluntary basis, the scope of which includes, in addition to the parent company, the subsidiaries Lefay Resort Garda S.r.l.

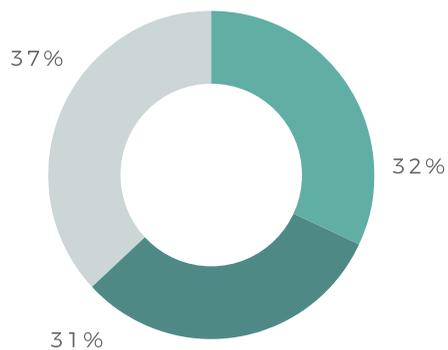
and Lefay Resort Dolomiti S.r.l. (as illustrated in the section Corporate structure).

The reclassified consolidated economic data for the 2018 financial year is shown below.

DATA IN EURO MILLION	2018	2017	VARIATION %
REVENUES FROM SALES	18,1	17,6	2,8
Change in inventory of work in progress, semi-finished and finished goods	1,8	1,8	-
Increases of fixed assets for in-house works	0,3	0,1	200,0
Other revenues	0,5	0,3	66,7
VALUE OF PRODUCTION	20,7	19,9	4,0
Consumption of raw materials	(2,5)	(2,3)	8,7
Costs of services	(6,9)	(6,1)	13,1
Rent and leasing expenses	(0,4)	(0,4)	-
Personnel costs	(6,6)	(6,3)	4,8
Other operating costs	(0,5)	(1,2)	(50,0)
EBITDA	3,8	3,7	2,7
Depreciation and amortisation	(2,2)	(2,2)	-
EBIT	1,6	1,5	6,7
Financial income and expenses	(0,4)	(0,5)	(20,0)
EARNINGS BEFORE TAXES	1,2	1,0	20,0
Taxes	(0,6)	(0,4)	50,0
NET RESULT	0,6	0,6	-

LEFAY RESORT & SPA LAGO DI GARDA

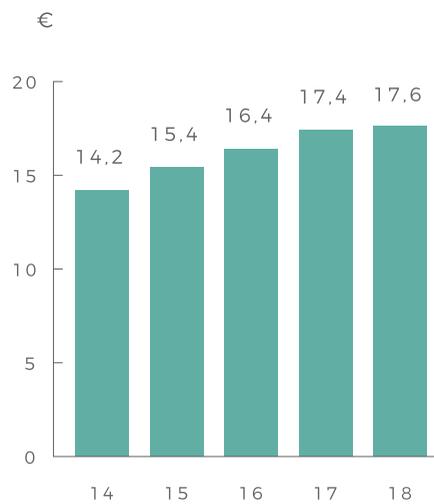
ORIGIN MARKETS 2018



- Italy
- Germany, Austria, Switzerland
- Rest of the World

Lefay Resort & SPA Lago di Garda's establishment on the international market is also witnessed by the fact that two-thirds of the Guests come from abroad.

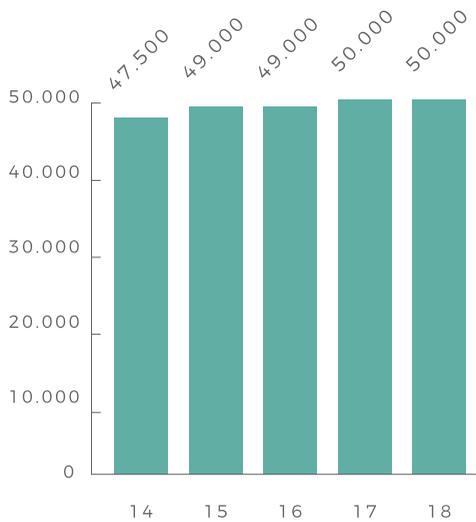
TURNOVER



- Revenues (M euro)

The graph shows the significant growth of the Resort's operational turnover in the last five years.

TOTAL NUMBER OF GUEST NIGHTS



The total number of Guest nights equalled the great performance of 2017, reaching 50,000.

OPERATING PERFORMANCE INDICATORS



- Total RevPAR
- RevPAR
- Occupancy %

The total 2018 revenue per available room has grown further, thanks to the increase both in the average price per room and in the Guests' individual spending in the SPA and Food & Beverage departments, reaching 566 euros.

CERTIFICATIONS

Lefay intended to implement a Quality and Environmental Management System certified according to ISO 14001 and 9001 standards since 2008, for the “design and development of architectural solutions for innovative and environmentally friendly accommodation facilities” and for the management and development processes of hospitality and wellness companies. In the construction of the first Resort, great attention was paid to respect for the surrounding environment through an architectural project fully integrated in the existing landscape, the implementation of cutting-edge technologies that reduce the consumption of energy and water, and the use of clean and renewable energy.

Hence in addition to the ISO 14001 and ISO 9001 certifications, Lefay Resorts S.r.l. and Lefay Resort Garda S.r.l. develop every year an inventory of CO₂ emissions according to ISO 14064 standard and offset 100% of emissions produced through the purchase of certified emissions credits. Lefay Resort Garda S.r.l. has also obtained two other important certifications: Green Globe and Being Organic and Ecological SPA. Green

Globe is issued by the Green Globe certification body, active in 83 countries worldwide. It requires compliance with more than 250 standards relating

to sustainability, and it is applicable to companies operating in the tourism branch. Lefay Resort & SPA Lago di Garda was the first Property in South Europe to be certified in 2011.

Being Organic & Ecological SPA is a certification issued by Ecocert, a French certification body. Lefay SPA is the first property in Italy and the fourth in the world to be awarded this new certificate with the Level “Excellence” obtained thanks to three distinctive aspects: the uniqueness of the Lefay SPA Method treatments and health programmes together with the commitment dedicated to training and to the professional development of the Staff; the exceptional comfort of the cabins, which offer Guests an incomparable relaxing experience; the measures put into practice for a sustainable management of the wellness area. To obtain this certification at least 50% of the treatments offered on site must use certified organic cosmetics.

To comply with this standard, Lefay undertook a strict review of the protocols and products used in the treatments, which led to the certification of the Lefay SPA face and body cosmetic oil line. Consistent with the philosophy that distinguishes Lefay, the Lefay SPA Dermatological Cosmetics Line was also designed with a strong focus on ethics and sustainability, as evidenced by the most important international environmental certifications: Vegan Ok

LEFAY RESORTS



LEFAY RESORT & SPA LAGO DI GARDA



certifying the non-use of materials of animal origin or obtained through the exploitation of animals; Cosmos Organic, released for the Lefay SPA line of cosmetic oils, which certifies the observance of the principles of green chemistry and sets the requirements for organic cosmetic products concerning the entire production cycle; Cruelty Free, the international standard “stop testing on animals” guaranteed by the anti-vivisection league and certified by ICEA (Environmental and Ethical Certification Institute); Nickel Tested (less than 0.00001%), which confirms that all the products are dermatologically tested by Ferrara University and are free from parabens, SLES, colourings, preservatives and added parabens.

Lefay, which aims at preserving and enhancing the idiosyncratic features of the territory, has also started the production of its own extra virgin olive oil. The olive groves are located on the Group’s farms, on the morainic hills of the Western Shore of Lake Garda, where the Cuvée and Monocultivar Gargnà are produced and in the heart of the Tuscan Maremma, where the Toscano is produced. Consistent with the sustainable philosophy of Lefay, the oil is made in respect of the environment and the territory. In addition, the Cuvée and Monocultivar

LEFAY SPA COSMETIC LINE



LEFAY VITAL GOURMET EXTRA VIRGIN OLIVE OIL



Gargnà oils are certified organic by the CCPB, certification and control body for agricultural and “no-food” products in the field of organic, eco-compatible and eco-sustainable production. The Tuscan oil is recognised by the PGI brand, namely “Protected Geographical Indication”, conferred by the European Union to agricultural and food products for which at least one phase of the production process takes place in the area of origin.

Lastly, in 2018, Green Globe awarded Lefay Resort & SPA Lago di Garda with the “Gold Status”, which is reserved for properties that stand out for their excellence in terms of sustainability after at least 5 years of certification.

Also at Lefay Resort & SPA Dolomiti, all the standards and procedures required to obtain the most important international certifications in the field of sustainability will be activated. The Resort will also be ClimaHotel certified, a seal of sustainability dedicated to accommodation facilities that contribute to the sustainable development of the company, both through the integration of innovative and sustainable technologies, and with strategic measures in management.



ENVIRONMENT



Personal wellbeing should never overlook environmental wellbeing. For this reason, during the design and construction stages of our Resorts, we take into account environmental sustainability, impact on the landscape and clean, renewable energy sources. To achieve this goal, huge efforts are carried out starting from the design stage: focusing on the landscape protection, as well as on the need to create environmentally and energy efficient Resorts, are the first challenge for the Project Team. The properties of the Collection stand in unspoiled settings, characterised by a rich biodiversity and different habitats that host endemic species of international natural importance. Lefay Resort & SPA Lago di Garda is situated in

the "Parco dell'Alto Garda Bresciano", considered a "protected area" by the Natura 2000 Network, a network distributed throughout the area of the European Union, which was set up according to "Habitat" Directive 92/43/EEC to guarantee the long-term preservation of natural habitats and species of flora and fauna.

The second Property is set in the beautiful scenery of the Dolomites, declared by UNESCO a "World Heritage Site", within the Adamello Brenta Park, the largest protected area in Trentino. It was established in 1967 to ensure the long-term protection of natural habitats and threatened or rare species of flora and fauna.

BIODIVERSITY



Both Properties are located in places with a great biodiversity. Established in 1989, the Alto Garda Bresciano Park occupies an area of approximately 38,000 hectares and includes the territories of the municipalities of Salò, Gardone Riviera, Toscolano Maderno, Valvestino, Magasa, Gargnano, Limone sul Garda, Tignale and Tremosine. Unlike other landscaped parks in perfectly homogeneous areas with a high naturalistic interest, the Garda Park is characterised by strong contrasts in terms of the environment, altitude - from the 65 metres of the lake to nearly 2,000 in the highest mountains (Mount Caplone, 1976 m) - climate and vegetation - from the Mediterranean maquis shrubland to the typical short vegetation of the alpine foothills. Created to ensure the long-term maintenance of endangered natural habitats and threatened or rare species of flora and fauna, the Park is rich in exceptional biodiversity, both plant and animal. As we have already said, it is full of Mediterranean type environmental contexts along the lakeshore with alpine scenarios in the immediate hinterland. Within just a few kilometres we pass from lemon and olive groves, typi-

cal Mediterranean plants, to hornbeam and oak forests, and even higher up to beautiful beech and pine woods. Wildlife too is extremely diversified due to the different environments present in the Park. These include waterfowl such as loons or coots, "woodland" birds such as tits, wood grouse and jays. Mammals are represented by several ungulates: chamois, deer, roe deer and carnivores such as foxes, weasels, martens and wild boars. The most characteristic animals of the Park are insects, the Lepidoptera (butterflies), the 959 species of which account for about half of all those present in Italy. The "UNESCO Global Geoparks" in the Dolomites is covered by hardwood and coniferous forests, such as chestnut, pine, maple and hazelnut trees. There is a huge variety of fauna in the Dolomites, including well-known species and others that are still not so spread. The avifauna comprises over one hundred and thirty types of birds, including golden eagles, capercaillies and white partridges, as well as woodpeckers and owls. Mammals are represented by brown bears, foxes, jackals, hares and various hoofed animals: chamois, roe deers, deers, ibexes and mouflons.

ENVIRONMENTAL IMPACT



ARCHITECTURE AND MORPHOLOGICAL INTEGRATION

Lefay eco-Resorts are not designed as massive buildings, but harmoniously integrated with the territory and adapted to the morphological characteristics of the surrounding landscape. The projects are inspired by traditional constructions, covered with natural materials and marked by the mitigation of the volume impact. Lefay Resort

& SPA Lago di Garda recalls the “limonaie” (lemon-houses), typical buildings of the Upper Garda region, which are made of stone pillars and wood and used to cultivate lemons.

The property located at the foot of the Dolomites is composed of a central body that represents the iconographic “diamond” element of the Dolomites. The side wings, which hosts the Suites, are completely covered with fir and larch wood.

THERMAL INSULATION

NATURAL MATERIALS



The properties are designed to allow less dispersion of heat and energy towards the outside. Both Resorts, on Lake Garda and in the Dolomites, are facing south and are able to achieve a high level of thermal insulation. At Lefay Resort & SPA Dolomiti, the majority of volumes is placed on staggered planes. All Suites and service-dedicated areas are oriented downstream with large openings that make the most of the natural light.

Thanks to their southerly orientation and their windows made of athermal glass, the blocks of rooms and spa area of Lefay Resort & SPA Lago di Garda manage to achieve a high level of thermal insulation: from the cold in winter, through the passive production of solar energy, and from the heat in summer, thanks to mobile system of shading installed on the front part of the balconies. The heating and cooling of the rooms and common areas is achieved through low temperature radiant systems installed within the ceilings and the floors. This system prevents air draughts and noise, thereby ensuring the maximum comfort of Guests.

The respect for the beauty of the surrounding environments is also reflected in the interior design of all destinations, which features natural materials mostly coming from the local area. This is seen in particular in the care given to the selection of materials and furnishings. The materials used in the guestrooms on Garda Lake are olive wood for the parquet floor, Italian walnut for the furniture, red Travertine for entrance floor and bathroom and red Verona marble for sink and tub. Lefay Resort & SPA Dolomiti stands out for its Italian woods, such as oak, and local stone, in particular for the use of tonalite, a typical granitic light-coloured rock of Adamello. All the textiles, including bed linen, are made from natural cotton fibre without any chemical treatments. In addition, the bedlinen has been selected with the GOTS (Global Organic Textile Standard) certificate that attests the composition of the organic fibres and production in compliance with demanding environmental criteria. Chemical-free water paints have also been and are continuously used for the painting operations.

ENERGY



The use of advanced technological solutions that reduce energy consumption gave us the opportunity to combine luxury and all the amenities and services with the utmost respect for the environment. This was made possible by an efficient use of energy and the intelligent utilisation of clean, renewable energy sources. Our commitment to achieving a maximum reduction in environmental impact led our designers to construct the most modern systems for producing electrical energy, heat and air conditioning. The project of Lefay Resort & SPA Dolomiti follows two fundamental design criteria: the containment of the Resort's energy requirements, achieved through the high insulation of all the surfaces of the building cladding and the adoption of ventilation systems with very high energy recovery and the use of renewable energy sources with high performance production systems. The production of thermal energy will be mostly delegated to a biomass boiler fed by wood chips, completed by a specific electro-filter for the treatment of fumes

that will ensure extremely low emissions that are substantially below regulatory limits. Additionally, a high-efficiency cogeneration plant will be installed to cover the heat and power requirements. At Lefay Resort & SPA Lago di Garda, the technological centre is made up of three fundamental systems:

Biomass System

This system is fed by wood chips and generates thermal energy. This type of plant considerably reduces carbon dioxide emissions and enables the use of local logging waste to be optimised, thereby reducing the environmental impact to a minimum. In 2018, it covered about 43% of the thermal energy consumed, with an increase of 3% in comparison to 2017.

Microturbine Cogeneration

Gas micro-turbines are innovative systems for generating electrical and thermal energy. They are known for their great compactness and high

electrical and thermal efficiency; they also have the advantage of having low polluting emissions. They emit few vibrations and operate quietly, also reducing noise pollution. The “energy optimisation project” was launched in 2014 with the aim of optimising the facility’s energy consumption; the results of the project led to substituting the pump inverters in 2015, and therefore, resulting in a greater overall energy efficiency of the system. In 2016 and 2017, both the microturbines were replaced and this produced a substantial increase in electricity and heat production efficiency. These projects involve both external professionals and Staff Members from the Engineering and Maintenance department. In 2018, 33% of the total energy consumed was self-produced through cogeneration.

Absorption Cooling

This machine, one of the few examples present in Italy, generates cooling by using the exchange heat of the microturbines and biomass boiler. Tri-generation is achieved with this type of energy generation that is based on co-generation, namely, a single energy source is exploited to generate electricity, heating and cooling. This enables the potential of the plants installed to be fully exploited.

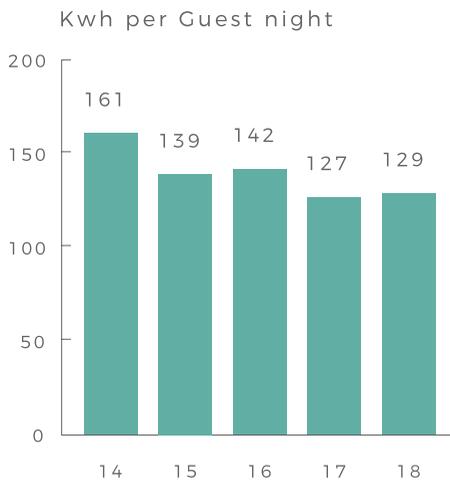
In 2018 the consumption of electric energy was at the same levels of 2017, while the consumption of thermal energy (for heating, cooling,

hot water production and pools) has decreased compared to the previous year of 8 percentage point. Photovoltaic panels of 11 kw peak output and extremely advanced software help to reduce the amount of artificial lighting when sufficient natural light is available, as well as during night. In 2018 the total amount of thermal energy used by the Resort has been self-produced; while the self-produced electrical energy - using the co-generation system and the photovoltaic plant - reached 42% of the needed electrical energy. The remaining 58% has been purchased from Dolomiti Energia with certificates attesting its 100% origin from renewable energy sources. According to Dolomiti Energia’s data of 2018, Lefay Resort & SPA Lago di Garda was able to avoid the emission of 422,56 tons of CO₂ in the atmosphere thanks to its green energy choices. As usual, energy consumption was recorded monthly and shared with the Senior Management through periodical meetings to make comparisons and determine the possibility of direct interventions.

ELECTRIC MOBILITY

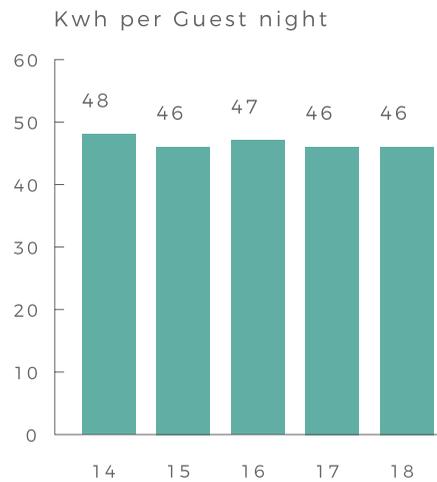
In 2018 the collaboration with TESLA and BMW for the promotion of green viability continued (“Tesla Destination Charging” and “BMW i Charge + i Pure Impulse Experience Programme”). Inside the garage two Tesla connectors are available, capable of providing a range of up to 100 km / 60 miles per hour together with a BMW Wallbox for electric cars.

THERMAL ENERGY CONSUMPTION



The analysis of energy and thermal consumption is carried out by taking into consideration, primarily, the indicator of consumption per Guest night. This allows us to understand the effectiveness of the management of energy requirements compared to the level of occupancy of the Resort. In 2018 the consumption figure of thermal energy has slightly increased reaching 129 kwh per Guest night.

ELECTRIC ENERGY CONSUMPTION



Electricity consumption per Guest is stable; in 2018 it has settled at 46 Mwh per Guest night. Thanks to an analysis of consumption per area, the critical areas where intervention is needed were identified. For the SPA, restaurants and bedrooms areas, a plan was defined to replace the light bulbs with a low-consumption type.

WATER

The concept based on pursuing comprehensive environmental protection is not just limited to the production and use of energy, but also includes water consumption, which is one of the major concerns of the local authority. As a matter of fact, Riviera dei Limoni suffers from water shortages throughout the summer months. The main activities carried out by Lefay Resorts to optimise water consumption are as follows:

RAINWATER COLLECTION

All rainwater falling on the Resort's surfaces is channelled by a dedicated collection system, conveyed to a tank with a capacity of 300 m³ and used to irrigate the gardens.

MANAGEMENT SOFTWARE

To dramatically reduce water consumption from the mains water supply, the water supply system has been calibrated and designed in minute detail. All toilet flushing systems and bath taps regulate the water quantity in output through devices that help save water consumption by 50% compared with standard facilities. Swimming pool facilities have a water refilling system based on the number of people using the relevant swimming pool.

LAUNDRY MANAGEMENT

The laundry is one of the areas where considerable use of both water and energy for drying and ironing of all the Resort's linen is made. The ac-

tions taken to reduce this consumption concern raising awareness among Guests and Staff (for example, changing Guests' linen only when they make a specific request).

CONSUMPTION ANALYSIS

Analysis of water consumption is carried out by taking into consideration, primarily, the indicator of consumption per Guest night; this allows us to understand the efficiency in managing energy needs based on the level of occupancy in the Resort. With regard to the trend of consumption per Guest night, the comparison of several years is irregular, being influenced in particular by the following events:

- rainfall (very important with regard to irrigation of the 11-hectare gardens);
- inauguration of the Royal Pool & SPA Suite with new pool in 2013;
- increase in the number of treatments carried out at the Lefay SPA, with the consequent increase in washing of the linen used;
- possible water losses which can only influence the consumption for a limited period of time before being resolved.

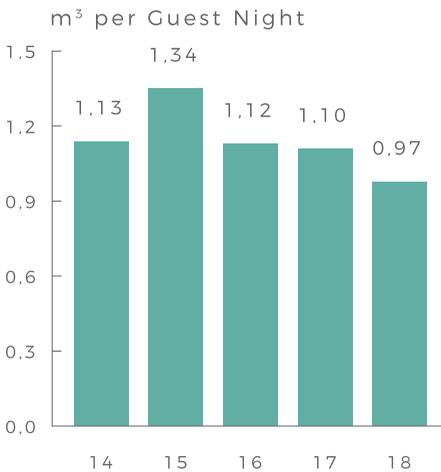
The most critical areas were analysed carefully in 2015 and 2016 to reduce the water consumption and a number of improvement actions were implemented, thanks to the monitoring of flow reducers installed in the points of highest withdrawal.

This action produced positive results as water consumption are constantly decreasing and in 2018 an impressive reduction of 13 percentage points compared to 2017 was registered.

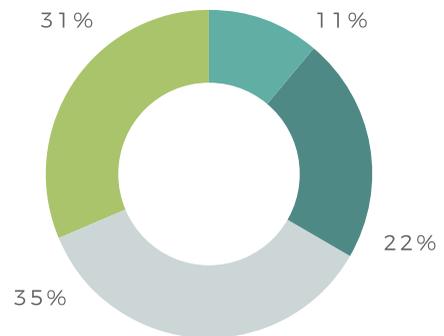
MONITORING WATER DISCHARGES

Every year Lefay Resort & SPA Lago di Garda commissions an accredited laboratory to perform analyses every year in order to monitor the values of the discharge water. This enables the environmental aspect to be monitored and to intervene if one or more values exceed the limits.

WATER CONSUMPTION



WATER CONSUMPTION PER SOURCE



It must be highlighted how all the swimming pools feature water reintegration regulation directly proportionate to the number of bathers present. This helps the Resort cut water consumption. In 2018 the water consumption per Guest night has significantly decreased, going down m³.

- Irrigation
- SPA and Pools
- Rooms
- Other

WASTE

The management of waste is another key element for reducing the environmental impact of a property which, due to its size and the nature of its activities, produces large quantities of organic and inorganic waste. Lefay reduces the environmental impact of the waste produced by the Resorts thank to the following important actions:

- Separate waste collection;
- Use of recycled materials and re-use of materials;
- Special waste managed correctly.

SEPARATE WASTE COLLECTION

Separate waste collection involves the following types of waste:



In compliance with the collection methods defined by the Municipality of Gargnano, it is applied by the Resort's Staff according to the standards established by the Quality & Environment Management System. This separation is carried out at source in all areas of the Resort, except in the guestrooms where the waste is separated in a subsequent stage by the House-keeping department. The data relating to the production of household wastes have been estimated according to the waste collected by the

appointed company and to the number and volume of available containers. For 2018 the max estimated figures for Lefay Resort & SPA Lago di Garda are: Paper and Cardboard 55 tonnes; Plastic 4 tonnes; Glass and metals 24 tonnes; non-recyclable 64 tonnes.

USE OF RECYCLABLE MATERIALS

Consistent efforts have been made to use recyclable and/or biocompatible materials such as:

- FSC certified paper for all materials and paper objects used in the Resorts: writing paper and envelopes for Guests, breakfast forms, badge holders, room directories, menus, spa glasses, shoppers, etc. (FCS is an international certification system that guarantees that the raw material used to make a product in wood or paper comes from forests where strict environmental, social and economic standards are respected).
- glass bottles to limit the use of plastic and an agreement with the supplier to return the empty bottles; total elimination of aluminium cans by all Resort departments with the only exception of the summer pool bar (for safety reasons);
- Biodegradable straws to limit the use of plastic.

Lefay Resorts has also been trying to optimise all office processes in order to reduce the unnecessary use of paper as much as possible. Our hotel management software (Property Management System) has enabled us to reduce paper archives, the paper exchange between the departments,

and all paper exchange to Guests all offers and/or order confirmations are made by phone or by email.

SPECIAL WASTE

As regards the management of waste classified as “special”, Lefay works with companies specialised in the transport and disposal of the same and verifies that they are duly registered in the National Register of Environmental Operators.

The main types of special waste are ash, toners and spent vegetable oil. In addition, there is sanitary waste produced by the SPA that is managed as special hazardous waste, with authorised suppliers and via the national SISTRI (Waste Tracking System, until 31st December 2018). From 2017 to 2018 a strong reduction of special waste was recorded (-38%).

TYPE OF SPECIAL WASTE (T)	2017	2018	VARIATION (%)
Metals	0	0	-
Wood	0,840	0	-100,00
Sanitary Waste	0,024	0,019	-20,83
Ash	2,500	2,060	-17,60
Exhaust toners with hazardous substances	0,036	0,021	- 41,67
Exhaust toners	0	0,044	NOT PRESENT IN 2017
Neon tubes with hazardous substances	0,050	0,020	- 60,00
Neon tubes	0	0	-
Frying oil	2,200	1,530	- 30,45
Hazardous WEEE equipment out of order	0,080	0	-100,00
WEEE equipment out of order	0,235	0	-100,00
TOTAL	5,965	3,694	- 38,07

CO₂ EMISSIONS

Since 2011 Lefay Resorts has dedicated great efforts to the issue of CO₂ emissions. In the same year, on 20th December in Rome, the Company signed a voluntary agreement with the Ministry of the Environment and Protection of Land and Sea for the promotion of common projects aimed at assessing the environmental footprint and, in particular, at calculating the carbon footprint and reducing the greenhouses gas emissions. These projects are taking on an increasingly important role in strengthening the actions envisaged by regulations and government policies within the context of the Kyoto Protocol and the “Energy-Climate Package” adopted by the Council of the European Union in 2008.

This agreement is divided into two stages:

STAGE 1: Definition of the monitoring system of the CO₂ emitted and the respective calculation.

STAGE 2: Definition of the actions to reduce and/or neutralise the CO₂ emitted.

The system of monitoring of emissions and the subsequent definition of the actions needed to neutralise them by 100% led to the launch of the Lefay Total Green project. Lefay Resorts has supplied a series of data to the Ministry referred to both 2011 and 2013 which have enabled the technicians of the industry, appointed directly by the MATTM (Ministry of the Environment and Protection of Land and Sea), to prepare the inventory of CO₂ emissions using a calculation system based on specific software. From 2015 the Voluntary Agreement with the Ministry of the Environment, although still in force, no longer envis-

ages support to calculate the emissions. However, Lefay Resorts has decided to continue to measure data useful in preparing the inventory of CO₂ emissions relating to the 2015 reference year and to develop an internal calculation system to be able to validate the inventory with an external certification body as in previous years, in accordance with ISO 14064. Therefore, the changes to the methodological system do not allow a linear comparison of the 2015 inventory with previous inventories.

STAGE 1: DEFINITION OF THE MONITORING SYSTEM OF THE CO₂ EMITTED

The main principles followed for defining the carbon footprint monitoring system are: credibility, transparency and uniformity, in compliance with that envisaged by the ISO 14064 standard. Lefay Resorts does not only analyse direct emissions, but has also quantified indirect emissions, focusing its attention, in particular, on emissions from the transport of Guests, which are particularly significant.

The sources of emissions of Lefay Resort & SPA Lago di Garda have been classified according to the following fields:

Scope 1: Direct sources.

Scope 2: Consumption of electricity and heat purchased (indirect source).

Scope 3: Indirect sources.

It is common practice for the majority of companies to select a single year in order to report the greenhouse gas emissions.

For Lefay 2015 is the base year, considering that the calculation method has been reviewed in order to internalise the method. The Resort undertakes to update the emissions calculation once a year instead of every two years starting from 2015, in order to monitor the entity of the emissions and to define possible improvement actions in the industries with the highest emissions. The efficiency of the method used for monitoring CO₂ and the results obtained are validated by the certifying body TÜV SÜD, in full compliance with the provisions of the ISO 14064 standard. This year an update was made of the calculation of the CO₂ emitted, taking into consideration the data of the year 2018.

The increase of 600 CO₂eq compared to 2017 (+7%) was mainly due to the increasing trend of international Guests and, as a consequence, to the increase in the distance covered to reach the Resort on Lake Garda. Even though transport (air transport in particular) produces a lot of CO₂ emissions and represents a significant portion of the total emissions produced, Lefay has no means of influencing it in order to reduce it.

A significant decrease of emissions caused by the use of paper materials (-42%) must be highlighted thanks to the commitment of the Resort Staff.

STAGE 2: DEFINITION OF REDUCTION AND/OR NEUTRALISATION ACTIONS OF THE CO₂ EMITTED

After calculating the emissions of CO₂, Lefay Resort & SPA Lago di Garda, by means of the Lefay Total Green project, undertook to offset them by purchasing an equal number of credits on the international market. The first year of compensation was 2013. Compensation is made by discount-

ing the outstanding share of carbon emissions against the purchase of CERs credits recognised by the UN, in compliance with the provisions of the Kyoto protocol to foster the implementation of project aimed cutting CO₂ emissions and other greenhouse gases in both developing and other countries.

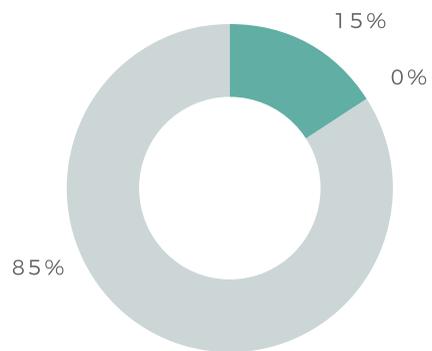
To compensate the emissions relating to 2018, Lefay Resorts chose to confirm the same four international projects supported in 2017. The first, "Metro Delhi, India", aims at improving energy efficiency of the Delhi Metro II Station buildings. The saving on CO₂ emissions associated with this project is based on a reduction in the electricity consumption, allowing the saved energy to be used for other activities, important for the community. In India, electricity demand is constantly growing and, often, the supply needs cannot be met; thus, the project contributes in a concrete manner to meet the electricity needs of the inhabitants and to improve the quality of their lives.

The second project is "Hydro Power Project, Andra Pradesh, India", and has been developed to meet the growing demand for electricity through the production of energy from renewable sources. Specifically, this project entails the installation and commissioning of six river hydroelectric turbines in the Indian state of Andra Pradesh, helping to make the area less dependent on fossil, exhaustible and highly polluting fuels such as coal. The third project is "Uganda Borehole Project, Africa" which bears significant social and environmental repercussions. The project meets the highest requirements in terms of sustainability,

transparency and positive social effects and it has been certified Gold Standard by the WWF. The project is being developed in one of the poorest areas in Uganda and aims to provide drinking water to hundreds of families in the districts of Alebtong, Dokolo and Otuke. The creation of underground wells and the establishment of a purification process that no longer requires the boiling of water, which involves the use of firewood for the purification process with the consequent production of high levels of CO₂ emissions associated with combustion, have been planned. Furthermore, the project intends to protect local forest ecosystems, reducing the use of firewood and the consequent massive deforestation.

The fourth project was chosen in Europe. The "Saint Nikola Wind farm" is the largest wind farm in Bulgaria. In addition to drastically reducing the CO₂ emissions associated with the combustion process for energy production, the wind farm contributes also to the economic recovery and sustainable development of the entire region that hosts it. The wind farm has been designed in such a manner that the land on which the blades are located can continue to be used as agricultural land without hindering the cultivation of land

DIVISION OF CO₂ EMISSIONS PER SCOPE



- Scope 1. Emissions arising from the generation of heat, steam or electric energy by burning fuels.
- Scope 2: Consumption of electricity and heat purchased (indirect source).
- Scope 3: Activities associated to the transportation of Guests, transportation of Staff members and transportation of goods purchased etc... The production of Food & Beverage goods purchased for the Resorts' activities and services; the management of water consumption; the management and disposal of waste.

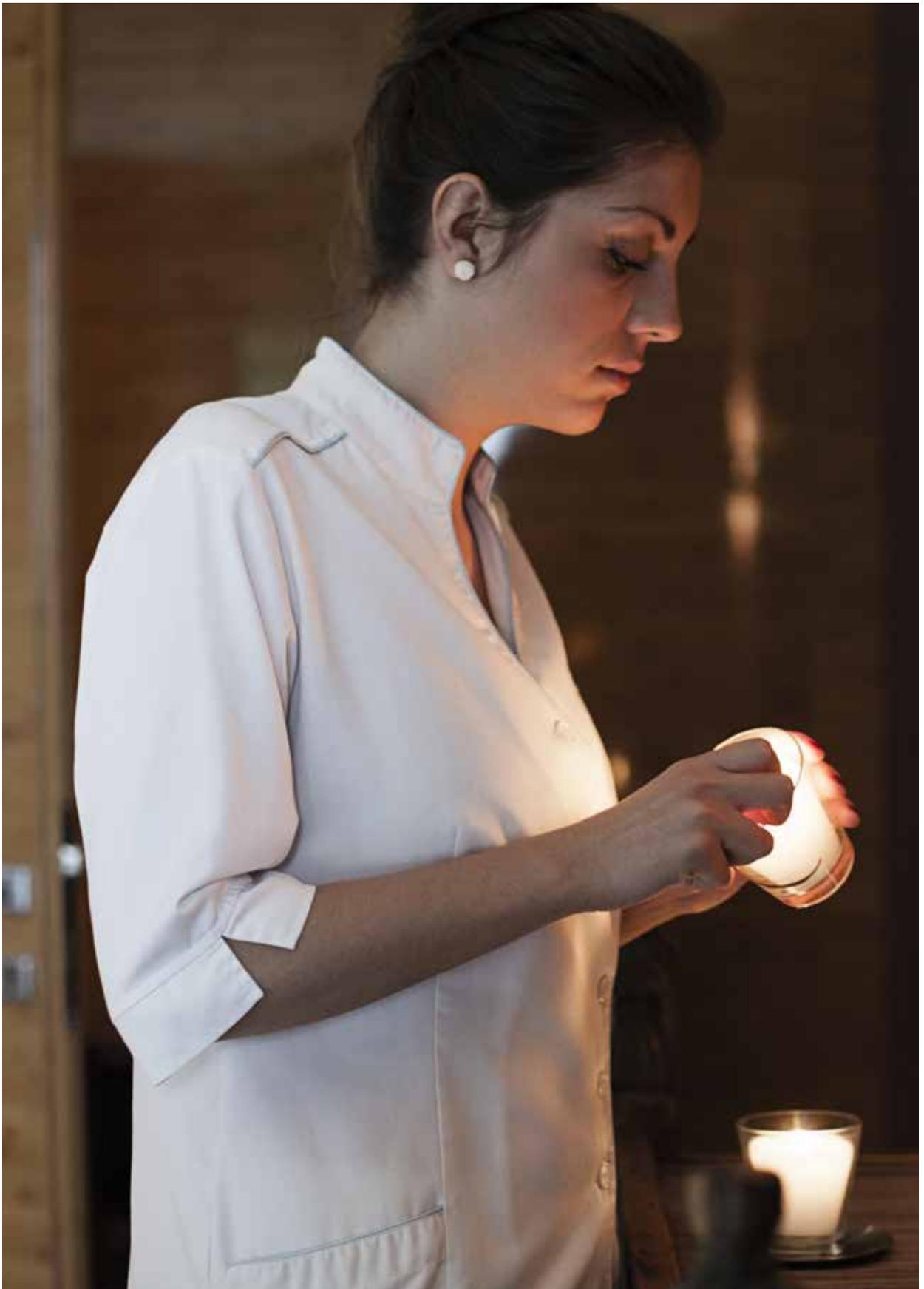
and the agricultural production of the area. Furthermore in 2018, Lefay confirmed the DHL GoGreen project, which allowed the Group to neutralise (through certified compensation) CO₂ emissions in the atmosphere generated by the required logistics services. During the same

year, like in 2017, the Group's websites have been included in the "CO₂ Emission Zero" programme promoted by Rete Clima and aimed at neutralising the emissions generated by the site per pageview.

COMPARISON OF EMISSIONS PER SOURCE FOR THE YEARS 2017 AND 2018

SOURCE	YEAR 2017	YEAR 2018	DELTA % 2017 - 2018
	EMISSIONS [T CO ₂ EQ]	EMISSIONS [T CO ₂ EQ]	[%]
Energy	1,433,41	1,445,18	0,82
Refrigerant gas	17,33	-	-100,00
Company cars	1,06	1,09	2,83
Staff commute	44,62	49,06	9,95
Raw materials	535,52	552,10	3,10
Waste	40,05	37,60	-6,12
RESORT TOTAL CO₂ EMISSIONS	2.071,99	2.085,03	0,63
Guests' Transport	6.959,84	7.604,48	9,26
TOTAL CO₂ EMISSIONS	9.031,83	9.689,51	7,28

In 2018 the emissions of CO₂ increased by 600 t. This has been mainly due to the increasing trend of Guests with international origin and, therefore, to the consequential increment in the distance to reach the Resort.



PEOPLE



The key success factor in luxury hospitality is unquestionably the quality of human resources, which allows Lefay to go beyond Guests' expectations every day and to create a unique and valuable offering. This is the reason why

the growth of the Staff constitutes the core of Lefay's values and strategy: it's instrumental in turning our brand into the Italian reference brand in the international market of luxury wellness holidays.

QUALITY & ENVIRONMENTAL MANAGEMENT SYSTEM

The jewel in the crown of the Lefay Resorts organisation is the management of the Quality & Environmental System, which delivers an exclusive service that is perfectly aligned with the environmental and quality standards needed to guarantee Guests a unique holiday experience in harmony with nature and the local environment. Right from the design stage Lefay considered it vital to establish an integrated Quality & Environmental Management System shared with everyone through clear and precise work tools. Standards and procedures are clearly documented and shared at all levels of the organisation. All employees are given an operational manual illustrating both customer service and environmental procedures and standards. The observance of these standards is verified every day by department heads and periodically during inspections conducted by specially-trained employees or external consultants. Any non-compliance is brought to the attention of the Senior Management and the corrective action needed to definitively solve the

issue is decided on together with the managers in charge. The Quality & Environmental System means Lefay is run in full compliance with the concept of "Continual Improvement", a concept that lies at the heart of the success of our company. Every year, the Management Review takes place to assess the efficacy of the Quality & Environmental Management System by verifying together with the department Managers, that the objectives defined have been reached, making comments on the results of inspections and defining any corrective actions, preventive actions or opportunities for improvement. Furthermore, a specific position, namely the Quality and Sustainability Manager, was introduced to control the Management Systems, the quality of the processes and the existing environmental projects. This position belongs to the Lefay Resorts Staff and has the task of supporting the Management Company, the Resort Managers and department Heads in performing their duties in line with the requirements set out in the documents and in the System Procedures.

STAFF'S SATISFACTION

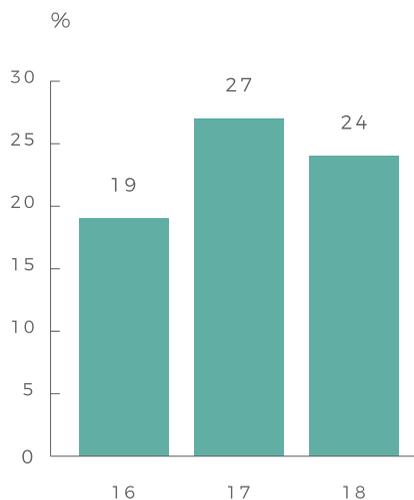
SHARING GOALS

The company's goals, in terms of financial aspects, quality and efficiency, are defined each year, for each department. Meetings of Senior Management, departmental Heads and other Staff are held periodically to monitor the progress of the objectives set out at the beginning of the year, propose new standards of service and solve any problems encountered during daily activities. These meetings help to align the efforts of everyone in achieving the company's strategic goals, strengthening the sense of belonging and fostering Staff management skills.

EMPLOYEES' SATISFACTION

In addition to achieving financial and quality targets, Lefay Resorts believes that the level of satisfaction of its Staff is an equally important variable, which should be continuously monitored. For this reason, in 2012 we introduced the "Employee Satisfaction Survey". Once a year all Staff complete the survey, which measures the level of satisfaction in terms of motivation, shared Corporate Values, quality of the Staff canteen and Staff accommodation, opportunities for professional growth and level of transparency in the management of Human Resources. This tool helps the company to achieve three specific benefits: improve com-

STAFF TURNOVER



In 2018 the turnover rate decreased compared to 2017 and remains as usual under the average data of the industry.

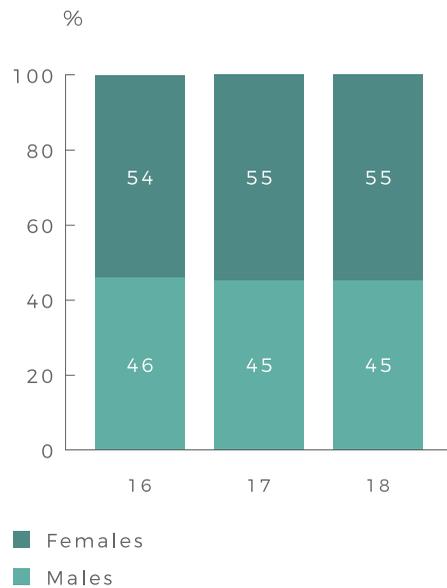
All the figures included in the "People" section present aggregate data related both to Lefay Resorts S.r.l. and to Lefay Resort Garda S.r.l.

munication between manager and Staff, support organisational development and link individual contributions to the realisation of the company's strategic plan. As in the previous years, this tool has been also implemented in 2018 and, thanks to the Staff's feedback, the fields in which an improvement is needed have been defined. Some data arising from an analysis of the results are detailed below: 85% of the Staff has filled and returned the survey in anonymous form, on average 75% were satisfied or very satisfied with their job; the Kitchen is the department which expressed the highest level of satisfaction (70%), followed by the Housekeeping (64%) and the Restaurants & Bars one (61%). The areas for which employees have expressed most satisfaction are: their department manager, the training received, their work in general, their work team.

EMPLOYMENT AND REMUNERATION POLICY

All Staff of Lefay Resorts is employed according to the conditions envisaged by the National Labour Contract, Tourism industry. All professional positions in the Resort are grouped into macro-categories, which are based on the employment levels of the National Labour Contract, without discrimination of any kind with regard to gender. Our Staff is paid more than the levels stipulated by the National Labour Contract for the Tourism industry, on average by 10%. In addition to the basic salary, an allowance is given to all those who live a cer-

MALE VS FEMALES



In 2018 the percentage of female Staff remained the same as in 2017, reaching 55%. In general the applications received for the various departments showed a clear preference by female workers for the Reception & Booking, SPA and Housekeeping departments, while Food & Beverage attracts more male applicants.

tain distance from the Resort, allowances are provided for particular roles and an incentive system has been set up, which is linked to the objectives shared at the beginning of the year. The 2018 trend in Staff turnover has decreased of 3 percentage points, reaching 24%. Lefay's continuous commitment in reducing turnover rate translates into promotion of numerous activities concerning the professional development of the Staff, the strengthening of the sense of belonging, the sharing of corporate values and the improvement of working environment.

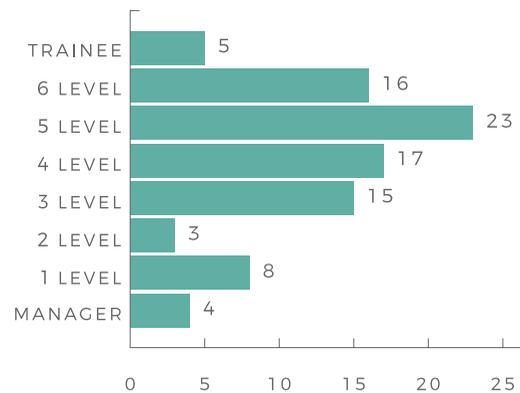
BENEFITS

Based on the assumption that to request superior service from our Staff towards Guests the company must be equally good to its Staff, we have implemented a series of unique benefits in the sector in Italy:

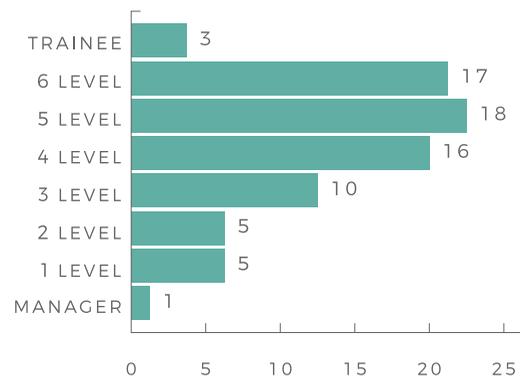
Work hours: the company has drawn up guidelines for work hours so that they are standardised in all departments, sustainable and above all compliant with legislation in the matter.

Holidays: each member of Staff has the right to benefit from the holidays envisaged by the National Labour Contract for the Tourism industry while the Resort is closed (usually in January) and may request another two holiday periods of his/her choice throughout the year.

FEMALE EMPLOYEES' LEVEL



MALE EMPLOYEES' LEVEL





Remuneration: Lefay Resorts applies the National Labour Contract, Tourism industry, to all employees, with contractual status linked to their role in the company, on a permanent or temporary basis according to the specific characteristics and requirements of the position available. All aspects of their position (e.g. holidays, days off, shifts) are managed in a clear and transparent manner by the Human Resources Office of the workplace and can be continuously monitored by each member of Staff.

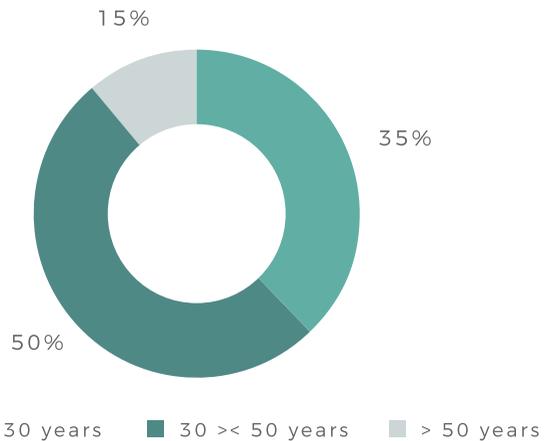
The “Noi” Restaurant: all Resorts Staff members can eat free of charge and without limitations at their own restaurant. The “Noi” Restaurant, managed and looked after directly by Lefay Vital Gourmet Staff, offers breakfast, lunch, dinner and afternoon snacks for the different shifts, allowing all Staff to make use of the service according to the activities and needs of their department with specific attention paid to preparing the menu and its variation following the seasonal changes of the food.

Housing: all Resorts Staff Members are offered housing free of charge within the property or in a special residence. The accommodation facilities have been recently built, are very comfortable and with Wi-Fi connection. Staff not requesting housing will be given a payment in addition to their salary.

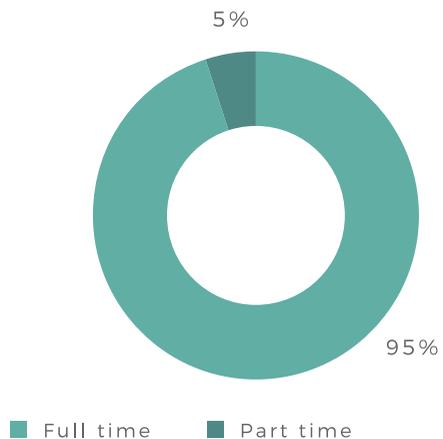
Uniforms: when starting their job, each member of Staff is given a set of uniforms for their department. Lefay also offers a free laundry service for the uniforms.

Discounts on purchases of Lefay brand products and services: Lefay Resorts gives discounts to all its Staff on the purchase of stays at the Resorts and on all Lefay SPA, Lefay Style and Lefay Vital Gourmet brand products.

STAFF BY AGE GROUP



FULL TIME VS. PART TIME



PROFESSIONAL DEVELOPMENT

Consistently with the Company's values, Lefay dedicates a great attention to its Staff, especially concerning their professional growth. For this reason, when a new position is needed in the Resort's Team or in the Corporate Office, a careful research among the current Staff Members is carried out before selecting new people. In this way, those human resources that, following a career promotion, could perform the vacant position, may be selected. Lefay Resorts applies, in a clear and transparent manner, the National Labour Contract, Tourism industry, and promotions are given based on merit and skills of each member of Staff. In addition to the roles typical of the sector, the company created specific roles for its requirements, for example:

- Lefay SPA Method Training Manager;
- Lefay SPA Method Trainer;
- Eco-Manager.

For each role a training course is planned and goals, responsibilities and duties are identified and summarised in a job description. The fundamental stages that accompany the path of professional growth within Lefay Resorts are as follows:

- Selection process;
- Performance assessment;
- Recognition.

For Lefay Resorts training is particularly important in the context of professional development.

SELECTION PROCESS

We are always looking to attract the best talents by illustrating the factors that differentiate a work

experience with Lefay from other competitors. The section "Careers" on the website lefoyresorts.com allows candidates to view the available positions and examine the benefits offered by the company to its Staff. It is a transparent selection system that increased the influx of highly interesting applications, making the selection process more efficient and simplifying and accelerating the selection management procedure. Furthermore, available positions inside the company are published with dedicated advertisements on the main channels of the HR field such as LinkedIn.

PERFORMANCE ASSESSMENT

In order to make the path of growth and development of the Staff clearer and more objective and structured, Lefay Resorts decided to introduce an impartial and objective system of assessment of human resources. All Staff Members are involved in this process, which includes the following stages:

- self-evaluation by each Staff Member;
- evaluation and feedback interview with the Management and the related Head of Department.

During the process the following skills are evaluated:

- "crosscutting", requested for all roles, such as flexibility, motivation, focus on quality;
- "specific", according to the professional role covered, such as linguistic and technical abilities;
- "managerial", only for department heads and deputies.

Also the efficacy of the training activities to



which the employee took part during the year is evaluated.

ACKNOWLEDGEMENTS

Each month, the Resorts appoint an Employee of the month. With this acknowledgement, recognition is given to employees who manage to surprise Guests by going above and beyond their expectations or who demonstrate total dedication and team spirit while carrying out their work. Financial bonuses are provided for the best performances: these can be granted after an individual evaluation carried out every year from the department Managers, and for them, when reference targets are achieved.

INTERNAL COMMUNICATION

Lefay Resorts communicates with its Staff in a constant and transparent manner using the following tools:

Corporate Identity Booklet: distributed every year to all Staff, it explains the company's vi-

sion, mission and values, the Lefay code of excellence, awards and acknowledgements.

Company Bulletin Board: here the main articles of the national and international press are displayed, as well as the "Employee of the month" acknowledgement.

Internal communication: any updates on product standards or changes in internal procedures are communicated to the Heads of department and then shared with all Staff.

Periodic meetings: both departmental and cross-cutting meetings are held periodically to discuss news, events and the running of the Resorts.

Institutional communication: the Management of Lefay Resorts issues prompt announcements to let Staff know about any successes (awards or acknowledgements achieved) and any news published in the press thanks to the company's PR work.



THE DECALOGUE OF EXCELLENCE

RESPECT FOR COLLEAGUES - we are extremely good to the people we work with, in the same way we are with our Guests, respecting their differences and commending their unique qualities.

COMMUNICATION - we always communicate with a discreet tone and quiet voice, trying never to intimidate interlocutors.

HOSPITALITY - we welcome our Guests as we would if they came to our home.

STYLE - we take care of our appearance, uniform and posture because these aspects are the first expression of Lefay's New Luxury.

TEAM - we always use the word "us" and never "I", we are successful thanks to the people that stand by our side day after day.

BEING PROFESSIONAL - we are committed to learning and applying the Lefay standards of excellence.

A SMILE - we express every day the passion, joy and motivation that distinguish us.

RESPECT FOR THE ENVIRONMENT - we are committed to respecting the environment, with small daily gestures.

BEING AN EXAMPLE TO OTHERS - we are aware that any instruction, if not accompanied by example, is useless.

EXCELLENCE THAT GOES ABOVE AND BEYOND - we try to anticipate the needs of our Guests and always go above and beyond their expectations!

TRAINING

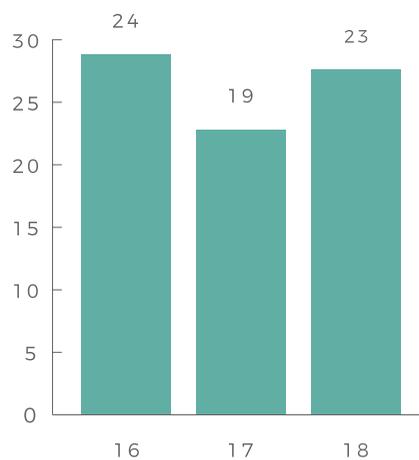
The key to the success of Lefay Resorts is the excellence of people: for this reason, our Staff Members, once they have entered the Lefay world, become part of a Team that is driven and motivated to achieve excellence and have the opportunity to increase their professional preparation and enjoy a series of benefits that are unique in this sector in Italy.

The attitude and skills of our Staff have a direct impact on the excellent quality of the service, which Lefay must ensure is as perfect as possible for our Guests day after day. Lefay training is divided into three categories.

Introductory Course

Each new member of the Lefay Staff goes on an introductory course that lasts some days, so that they can fully embrace Lefay's values, learn their way about the workplace and discover the operational standards expected in their department. An entire module of this programme is dedicated to the facility's sustainability, to the environmental certificates implemented, to the environmental improvement objectives and the related actions, and to the good environmental practices to be adopted during everyday work.

AVERAGE NUMBER OF HOURS OF TRAINING PER STAFF MEMBER



In 2018, training hours have risen compared to 2017, going from 19 to 23. It is important to underline that in 2018, the company has significantly increased its investments in the training of Staff.

Professional Training Courses

During the year each member of Staff also attends special training courses as required (eg. foreign language courses, customer relations courses and management of Guests suffering from celiac disease) in order to develop or improve the specific skills required by their role. In addition to these, other courses are held on specific topics: Occupational Health and Safety, HACCP and Privacy, waste management and management of allergies. Each member of Staff of the SPA department attends a specific training course, which involves the Lefay SPA training coordinators, medical experts and representatives specialised in the various holistic disciplines. Each Staff member is given a training manual, which summarises the theory courses attended, the number of on-the-job training hours carried out to achieve the necessary qualifications to perform treatments on Guests and the assessments given following periodic inspections, which evaluate the level of preparation and respect of Lefay SPA's standards. A professional certificate is given at the end of this course.

Management Courses

Lastly, department managers follow a training path designed to develop their management abilities and the skills needed for achieving success in their role.

FAMILY AND WORK CONCILIATION

Lefay cares about the families of its Employees and has always been active so that they can work in optimal conditions and avoid conflicts with the family related commitments.

The success of this approach is demonstrated by the rate of return to work after maternity/paternity leave and the rate of stay at work after returning. In 2018 in fact, all 5 Employees who had taken a maternity/paternity leave in the previous year returned to work (rate of 100%); all Employees are still working at Lefay after one year from their return (rate of 100%).

HEALTH AND SAFETY, PRIVACY, HACCP

Lefay acknowledges great importance to the protection of Occupational Health and Safety, Privacy and HACCP. Its commitment in these three areas has always gone far beyond compliance with legal obligations.

Every year, Lefay organises numerous on-site inspections and audits, conducted by experts, during which targeted interviews are held with Employees to identify and assess any new risks/problems/needs and find the most effective solutions and/or the most appropriate improvement measures.

Also with regard to training on Occupational health and safety in the workplace, HACCP and Privacy, Lefay offers its Employees a continuous training, which is customised according to the needs of each department (both in terms of delivery methods and contents).



THE LOCAL AREA



The environment, climate, vegetation, historical and cultural testimonies and the beautiful landscapes in the background are the distinctive features of the destinations of the Lefay eco-Resorts. Lefay Resort & SPA Lago di Garda is located on the hills of the historic village of Gargnano, in the heart of the Alto Garda Natural Park, and offers a spectacular view on the largest and most radiant stretch of freshwater in Italy: Lake Garda, also called Benaco.

The Dolomites are internationally recognised thanks to the unique landscape that characterises them and to their scientific geological importance. They are different from other famous mountain ranges because they are composed of nine mountain systems separated by valleys, rivers and other mountains. These systems extend from West to East, from the Brenta Dolomites in Trentino to the Friulane and d'Oltre Piave Dolomites on the border between Veneto and Friuli Venezia Giulia.

SUPPLIES

PURCHASE POLICY

Respect for the value of social and environmental sustainability is also reflected in the Resort's purchase policy, which has been focused on environmental sustainability and area provenance ever since the resort opened. In this regard, we give preference to companies which operate according to the standards envisaged by international environmental and quality certification systems. We choose our suppliers on the basis of the criteria listed below in order of priority:

- possession of the necessary mandatory authorisations, licences and/or qualifications;
- possession of sector-specific references and experience and/or experience with eco-compatible projects;
- possession of environmental, quality or product/service sustainability certifications (and we ask to see a copy just to make sure);
- the supplier's operating centre to privilege collaboration with local suppliers in order to reduce the impact of transport emissions and to favour the development of the local area;
- cost effectiveness.

Lefay Resorts is committed to developing long-term relationships with its suppliers, also sharing its quality and environmental policy, in the belief

that only a relationship involving mutual exchange and growth can ensure the quality of the products proposed to Guests. Furthermore, consistently with the commitment to reduce CO₂ emissions, 54.2% of the turnover for food products bought by Lefay Resort & SPA Lago di Garda is provided by local suppliers from the province of Brescia, 3% from the neighbouring provinces (Bergamo, Cremona, Verona, Trento), 39% from the rest of the provinces in Northern Italy, 3.8% from Central and Southern Italy and abroad.

SELECTION OF PRODUCTS

Respecting the beauty of the surrounding environments, Lefay favours the use of natural, eco-compatible materials.

Interior Design: realised using natural and mainly local materials, such as olive wood for the parquet, Italian walnut for the furniture and Verona red marble for the entrance floor and bathroom at Lefay Resort & SPA Lago di Garda. All fabrics are made of untreated natural cotton fibre. Water-based, non-chemical paints were also used on the walls.

SPA: we have created a line of personalised dermatological cosmetics for face and body that are rich in natural active ingredients without any ad-



dition of petroleum products, artificial colours, parabens and surfactants (sodium lauryl ether sulphate).

Food & Beverage: creation and observance of Lefay Vital Gourmet culinary concept, based on principles such as following the rhythm of the seasons, researching high quality raw materials and enhancing fresh and local ingredients. It privileges the health aspects of food, focusing on Mediterranean diet, in which extra virgin olive oil reigns supreme.

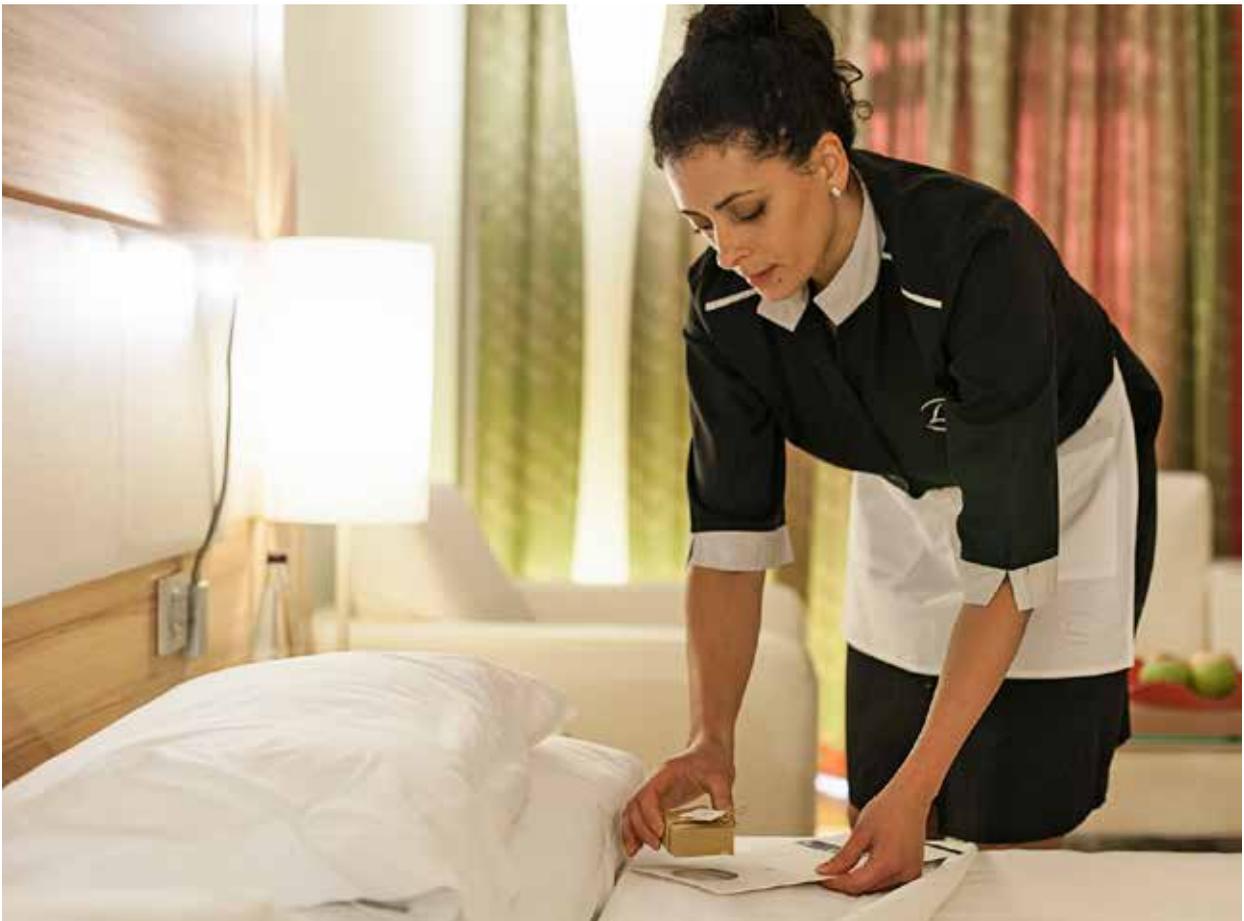
RESEARCH AND DEVELOPMENT

Every year, Lefay invests in research in order to constantly improve its wellness range, innovating products and treatments. In particular, during 2017, a large study was dedicated to the creation of the new stress-relieving programme "Il Recupero dell'Energia Originale", which aims to reprogram the body by helping to stimulate the necessary resources for this exchange of forces and regain a dynamic equilibrium. Its methodology is based on the integration of the most recent discoveries of neuroscience, re-integrated within the more complex vision of classical Chinese medicine. The effectiveness of the treatments is continually overseen through heart rate monitoring, according to mathe-

matical models that interpret the variability of the autonomic nervous system as a stress state detector. The new "La Quiete" energy massage and the "Measurement of Cardiac Variability" consultation are distinctive features of this new programme. In particular, the "Heart Rate Variability" Medical Consultation is carried out through the use of the innovative ANS Analysis tool to detect the ability of the body to adapt to stress through the measurement of the heart rate variability.

In addition, the Lefay dermatological line will be expanded with the Mineral Energy Complex cosmeceuticals, inspired by the natural elements of the Dolomites: a serum and a facial cream that act deeply and in synergy to combat skin aging. These innovative products, together with other ones used in the Lefay SPA Dolomiti treatments, are known for the minerals ions extracted from: malachite, with a strong antioxidant effect; olivine, rich in magnesium with powerful energising and anti-ageing qualities; Rhodolite, that stimulates the natural immune defences and zincite, that protects DNA from external damages. Also the Mineral Complex products will be certified as Vegan Ok, Cruelty Free and dermatologically tested.

EMPLOYMENT OF LOCAL PEOPLE



Lefay Resorts is committed to employing Staff members who are resident in neighbouring municipalities, depending on the professional skills required. In 2018, the percentage of “local” Staff Members reached 65%, while the one coming from the neighbouring provinces was 21%.

61% of the company Management is made up of “local” Employees. The commitment of Lefay towards the development of the local communities is also seen in the courageous decision to keep its properties open all year round, even in typically seasonal destinations.

PROMOTION OF LOCAL AREAS

PRESS AND PUBLIC RELATIONS

Thanks to contacts and networks of relationships with international and national representatives, Lefay contributes actively to the development and promotion of the territory, both in Italy and abroad through constant work by teams with prestigious communication agencies in Europe. In 2018, press visits were organised for 65 national and international journalists and more than 650 articles were published relating to the Resorts and the territory, effecting the promotion of culture, tourism and local products.

SPONSORSHIPS AND PARTNERSHIPS

Lefay enthusiastically supports some cultural and sporting initiatives promoted by the Local Community, by sponsoring various events. Among these we may find events promoted by local associations, sailing competitions organised every year on Lake Garda or races promoted by local sports clubs. Of interest is the "Transbenaco" regata staged every year by the "Circolo Nautico di Portese", which regularly receives our support. Remaining in the sports field, contributions are made to several groups in the town of Gargnano. With regards to cultural initiatives, Lefay Resorts sponsors concerts and musical events, including the itinerant summer festival "International Chamber Music Festival", which hosts well-known international musicians from the classical music scene and is held in the most picturesque places on the lake. Journalists are also invited to visit local places of historical and cultural interest, to encourage the publication of contents. Of particular importance is the "Festival of Sustainability" in April: 30 days of initiatives, conferences and meetings organised by the L.A.C.U.S. association (Lake, Environment, Culture and History) with the patronage of consortia, institutions, local and supra-municipal authorities. Also with L.A.C.U.S. an amateur photography contest was promoted with the aim of enhancing the beauty of Lake Garda.

The support in the territory of the Dolomites, for which a dedicated plan will be drawn up at the same time as the opening, was inaugurated with the "Disseminarte" association, which organised the event "Danza Macabra" as a tribute to the fresco of the Church of San Vigilio in Pinzolo.

ASSOCIATIONS

Lefay Resort & SPA Lago di Garda is member of local associations, among which "Consorzio Turistico Gargnano Relax" (Gargnano Relax Tourist Consortium), active in the promotion of tourism in the local area. Moreover, the management company Lefay Resorts is part of "A.I.B - Associazione Industriale Bresciana" (Brescia Industrial Association), one of the most representative business association in Italy and a member of the Confindustria System that numbers more than 1,200 companies.

CULTURE AND NATURE

The discovery of the territory is an integral aspect of a stay at Lefay. To this regard, numerous experiences are promoted to Guests to discover the main cultural heritage and landscape of the surrounding areas. This is achieved thanks to the organisation of guided visits to the main sites of historical/cultural interest (the "Vittoriale degli Italiani" and the Arena di Verona on Lake Garda; the museums of the province of Trento) and to the sites of naturalistic interest (mountain biking, hiking or trekking in the "Parco dell'Alto Garda" Upper Garda Park or in the wonder of the Dolomites). Both Resorts also offer a selection of leisure activities through collaborations with golf courses, local authorities and associations. The Dolomites in particular, the "UNESCO World Heritage" mountains, are a winter destination renowned all over the world thanks to the beauty of their snowy peaks and glaciers and the reputation of the Madonna di Campiglio ski area.

ARTISTS



Lefay Resorts aims to involve its Guests emotionally and intellectually in the local area by showcasing local artists. Lefay has developed strong relationships with local artists and commissioned them to produce unique works of art to pay tribute to the wonderful surroundings of the Resorts. Inside Lefay Resort & SPA Lago di Garda, Guests can enjoy some works of art by Renato Missaglia, an artist from Brescia, who has produced art representing the seven elements found in the Garda area: the olive tree, the bougainvillea, the bay tree, the vineyard, the lemon, the lake and the lemon-house. In addition, the Royal Pool & SPA Suite features works of art by Antonio Mazzetti, an eclectic artist from Brescia, while in all common areas of the Resort Guests can enjoy pictures of the lake and the lush lake-side countryside taken by Pino Mongiello.

DONATIONS

Lefay undertakes to support non-profit associations that operate in various fields, including the protection of the Italian natural and cultural heritage, humanitarian assistance to children and their mothers in the poorest areas of the world, the aid and the medical assistance in the countries where the right to health is not guaranteed. Lefay Resorts S.r.l. supports UNICEF (United Nations Children's Fund) and Doctors Without Borders and it is a Corporate Golden Donor of FAI (Fondo Ambiente Italiano - Italian Environment Fund).





03

IMPROVEMENT OBJECTIVES

“There are places where wellness is everywhere.”

LEFAY RESORT GARDA SRL

ENVIRONMENT

OBJECTIVE	KPI	ACTION	WHEN	STATUS
To reduce the plastic consumption	YES/NO	To introduce biodegradable straws	JAN 2019	NEW COMPLETED
To neutralise CO ₂ emissions	TCO ₂	To calculate and offset emissions assessing projects for the purchase of CERs	JUN 2019	NEW COMPLETED For the reference year 2018
Decrease of energy consumption per guest night	KwH Guest/Night	Replacement of light bulbs with low-consumption ones (LED)	DEC 2019	IN PROGRESS
To promote childrens' awareness of sustainability issues	YES/NO	To come forward with a Green Book for children (types of animals, local plants, duration of waste degradability, etc.)	DEC 2019	IN PROGRESS
To promote various types of local plants	N. of plants market with a little sign / Total number of local plants	To put little signs with names of local plants	DEC 2019	IN PROGRESS
To reduce the use of printed materials	N. paper printouts	Digitalisation of Guest notice cards	DEC 2019 (the development of a dedicated software is being studied)	IN PROGRESS
To promote the use of electric private means of transport	N. of charging points for electric cars	BMW project aimed at installing one charging point for electric cars inside the Resort garage	JUN 2018	COMPLETED
To neutralise CO ₂ emissions	TCO ₂	To calculate and offset emissions assessing projects for the purchase of CERs	JUN 2018	COMPLETED For the reference year 2017

OBJECTIVE	KPI	ACTION	WHEN	STATUS
To promote company car-sharing	N. persons in each car	To calculate and offset emissions assessing projects for the purchase of CERs	DEC 2018	NOT COMPLETED (the study conducted has shown the impossibility of realising the project)
To increase energy efficiency	KwH self-produced	Replacement of one of the micro-turbines of the cogeneration power plant	DEC 2017	COMPLETED
To neutralise CO ₂ emissions	TCO ₂	Calcolare e compensare le emissioni valutando progetti per l'acquisto di CERs	JUN 2017	COMPLETED For the reference year 2016
To promote an environmental sustainability culture associated with the world of wellness and cosmetics	YES/NO	To obtain Cruelty Free Certification for the new Lefay cosmetic line, which confirms that it was not tested on animals	MAR 2017	COMPLETED
		To obtain Vegan OK Certification for the new Lefay cosmetic line, which confirms that no animal by-products were used	MAR 2017	COMPLETED
To increase the use of certified materials with lower impact	YES/NO	To introduce new certified FSC paper shoppers for the Lefay SPA Shop	MAR 2017	COMPLETED

OBJECTIVE	KPI	ACTION	WHEN	STATUS
To increase the use of certified materials with lower environmental impact	% of amenities containers	At least 50% of amenities containers must be made of recycled or certified material	FEB 2017	COMPLETED 100% of the containers of the new Lefay cosmetic line is made of recycled and certified papers
To promote the use of electric private means of transport	N. of charging points for electric cars	TESLA project aimed at installing two charging points for electric cars inside the Resort garage	DEC 2016	COMPLETED
To reduce the use of printed materials	N. of paper printouts	Introduction of Alyante management system to computerize purchase request process, in order to avoid the use of paper forms	JUN 2016	COMPLETED
		Replacement of paper pay slips with pay slips sent via e-mail	JUN 2016	COMPLETED
To increase energy efficiency	KwH self-produced	Replacement of one of the micro-turbines of the cogeneration power plant	JUN 2016	COMPLETED
To promote an environmental sustainability culture associated with the world of wellness and cosmetics	YES/NO	To obtain Cosmos Organic Certification for the Lefay body and face oil cosmetic line, through an external audit of an accredited test institution	FEB 2016	COMPLETED
		To obtain Being Organic and Ecological SPA Certification for the Lefay SPA, through an external audit of an accredited test institution	DEC 2015	COMPLETED

OBJECTIVE	KPI	ACTION	WHEN	STATUS
To increase internal recycling and re-use activities	% single-use products	At least 50% SPA single-use products (shower caps and panties) must be made of recycled or recyclable material	DEC 2015	COMPLETED 100% of SPA single-use products are made of recycled or recyclable material
Decrease of 2% of energy consumption per guest night	KwH Guest/ Night	To put in place an energy control system for Lefay Resort & SPA Lago di Garda	OCT 2015	COMPLETED
To reduce or neutralise CO ₂ emissions	TCO ₂	To calculate and offset emissions assessing projects for the purchase of CERs	JUN 2015	COMPLETED For the reference year 2014
To reduce or neutralise CO ₂ emissions	TCO ₂	To calculate and offset emissions assessing projects for the purchase of CERs	JUN 2014	COMPLETED For the reference year 2013
To reduce or neutralise CO ₂ emissions	TCO ₂	To calculate and offset emissions assessing projects for the purchase of CERs	JUN 2013	COMPLETED For the reference year 2012

PEOPLE

OBJECTIVE	KPI	ACTION	WHEN	STATUS
To increase awareness of the company objectives and of the enhancement of the individual within the Team	YES/NO	Experimental introduction of a Reward System linked to the Team objectives whit awards in Welfare	MAR 2019	NEW COMPLETED (the trial involved the SPA department)
To increase the satisfaction of Kitchen and Bar Staff	YES/NO	Implement a system for the delivery of tips, marked on the Food & Beverage accounts (TIP)	APR 2019	NEW COMPLETED
Increase the efficiency and effectiveness of employees' management	YES/NO	Introduction of a new system for the Staff management	DEC 2019	NEW IN PROGRESS
Provide useful tools to support leadership capacity for a more efficient Team management	YES/NO	Introduction of management training courses for Department Heads on NLP (Neuro-linguistics Programming)	DEC 2019	NEW IN PROGRESS
To improve the knowledge of foreign languages	No. of activated courses	To schedule at least 4 training hours of English for each Member of the Staff	DEC 2019	IN PROGRESS
To intensify technical-professional training	N. of training hours	To organize specific training courses according to specific tasks	DEC 2019	IN PROGRESS
To improve the knowledge of foreign languages	N. of training hours	To schedule at least 4 training hours of English for each Member of the Staff	DEC 2018	PARTIALLY COMPLETED
To intensify technical-professional training	N. of training hours	To organize specific training courses according to specific tasks (at least 8 training hours for each Staff Member)	DEC 2018	PARTIALLY COMPLETED

OBJECTIVE	KPI	ACTION	WHEN	STATUS
To collect Guest feedback on the Resort's environmental aspects	YES/NO	To add one question relating to the importance of environmental aspects on the Customer Satisfaction Survey	MAR 2018	COMPLETED
To foster Guests and Staff Members awareness on sustainability issues	YES/NO	To introduce sustainable chocolate of Claudio Corallo production	MAR 2018	COMPLETED Chocolate was introduced: in some dishes available in Resort restaurants and bars; in the Lefay SPA Shop; in the Resort couverture couverture service
To introduce new benefits for the Staff Members	N. of concluded agreements	To conclude agreements with local shops and commercial activities for Staff Members	MAR 2018	COMPLETED
To implement the ethical awareness of Staff Members and major Stakeholders	YES/NO	Adoption and sharing at all levels of a company code of ethics	MAR 2017	COMPLETED
To improve the knowledge of foreign languages	YES/NO	To schedule at least 10 training hours of English for each Member of the Staff	DEC 2016	COMPLETED In 2016 were organized nearly 450 hours of English courses
To intensify technical-professional training	N. of training hours	To organize specific training courses for all Resort (such as those organized by the SPA department)	DEC 2016	COMPLETED In 2016 were organized more than 3.000 hours of specific training courses for Kitchen, Bar, Housekeeping and Maintenance departments.

OBJECTIVE	KPI	ACTION	WHEN	STATUS
Training courses for Kitchen and Bar departments concerning allergens management and how to prepare dishes for celiac Guests	N. of training hours	To follow "Alimentazione fuori casa" guidelines of AIC	DEC 2016	COMPLETED Each Staff Member attended a training course of 2 hours
To promote Staff Member awareness on sustainability issues	N. of training hours	Launching of Lefay Total Green Programme, with a specific focus on waste management and environmental impact reduction	DEC 2016	COMPLETED Each Staff Member attended a training course of 2 hours
To improve the atmosphere in the "NOI" Restaurant	YES/NO	To improve the furniture and decoration of the area	DEC 2016	COMPLETED
To collect Guest feedback on the Resort's environmental aspects	YES/NO	To include two questions relating to the importance of environmental aspects on the Customer Satisfaction Survey	FEB 2016	COMPLETED
To offer to Resort Guests organic cosmetic products	N. of organic cosmetic products / Total cosmetic products	Identify certified organic cosmetic products to be sold in Lefay SPA Shop	FEB 2016	COMPLETED
To offer to SPA Guests treatments which use certified organic cosmetic product only	N. of treatments with organic cosmetic products / Total treatments	To use only certified organic cosmetic products for some SPA treatments	FEB 2016	COMPLETED 25% of the treatments use certified organic products

TERRITORY

OBJECTIVE	KPI	ACTION	WHEN	STATUS
To offer professional opportunities to students and graduates from the local area	N. of partnership	To improve relationships with local schools and institutions educating professional figures of the SPA, Kitchen & Bars and Front Office departments	DEC 2019	NEW IN PROGRESS
To promote Alto Garda Bresciano Regional Natural Park	N. initiatives/ activities/ projects funded	To fund/co-fund initiatives/ activities/projects funded	DEC 2019	IN PROGRESS
To increase the ethical and environmental culture of Guests and Media	N. of concluded partnerships	To conclude partnerships with Italian companies which are attentive to ethical and environmental sustainability	DEC 2019	IN PROGRESS
To reduce environmental impact of washing which involves energy, water and detergents consumption	YES/NO	To introduce in Guestrooms make-up wipes to reduce the intensive washing of linen stained by make-up	DEC 2019	IN PROGRESS
To increase the purchase of certified cleaning products	Certified product turnover / Total turnover	To give priority to certified cleaning products: Ecolabel, Angelo Blu, EcoCert, Nordic Swan	DEC 2019	IN PROGRESS
To increase the percentage of renewable energy	Renewable energy / Total energy consumption	Installation of new solar / Photovoltaic panels	DEC 2019	IN PROGRESS (it is necessary to wait for the extension of the Resort building)

OBJECTIVE	KPI	ACTION	WHEN	STATUS
To promote the purchase of local organic, sustainable and/or certified food products in the Resort	YES/NO	To examine the possibility of opening a food Corner/Shop in the Resort with organic, sustainable and /or certified food products	DEC 2018	NOT COMPLETED (the study conducted has shown the impossibility of realising the project)
To promote local sustainable development	N. of sponsorships	To sponsor initiatives/activities/ events aimed at promoting local sustainable development	DEC 2018	COMPLETED
2% increase of turnover related to the purchase of certified food products	Local supplier turnover / Total turnover	To give priority to the choice of food products with organic, DOC, DOP, IGP, STG, Slow Food, Fair Trade, Blu Marine Stewardship Council (MSC) certification	DEC 2016	COMPLETED 2016 certified products turnover: + 2.1% (Slow Food Cheeses; organic fruit and vegetables)
To reduce water consumption per Guest night	M ³ /Guest Night	Resort tap dispensing modulation	DEC 2016	COMPLETED 16,4% decrease in water consumption
To increase turnover for the purchase of certified linen	Certified product turnover / Total turnover	To purchase certified Global Standard Textile	DEC 2016	COMPLETED certified linen turnover reached 14%

LEFAY RESORTS SRL

ENVIRONMENT

OBJECTIVE	KPI	ACTION	WHEN	STATUS
To reduce paper use	YES/NO	Introduce badges for meal vouchers (instead of paper meal vouchers)	JAN 2019	NEW COMPLETED
To neutralise CO ₂ emissions	TCO ₂	To calculate and offset emissions (included web-site emissions) assessing projects for the purchase of CERs	JUN 2019	NEW COMPLETED For the reference year 2018
To promote an environmental sustainability culture associated with the world of wellness and cosmetics	YES/NO	To obtain Vegan OK Certification for the new Lefay cosmetic line, which confirms that no animal by-products were used	JUN 2019	NEW COMPLETED
To monitor the production of solar energy	YES/NO	To introduce the use of a software that allows to monitor the production of solar energy	DEC 2019	NEW IN PROGRESS
To monitor biomass consumption	YES/NO	To introduce the use of a software that allows to monitor the consumption of biomass and make the supplies more efficient.	DEC 2019	NEW IN PROGRESS
To neutralise CO ₂ emissions	TCO ₂	To calculate and offset emissions (included web-site emissions) assessing projects for the purchase of CERs	JUN 2018	COMPLETED For the reference year 2017
To promote sustainable tourism and corporate social responsibility	N. of thesis and dissertations	To help students who attend degree course concerning sustainable tourism and corporate social responsibility to develop their thesis and dissertation	DEC 2018	COMPLETED

OBJECTIVE	KPI	ACTION	WHEN	STATUS
To monitor biomass consumption	YES/NO	To introduce the use of a software that allows to monitor the consumption of biomass and make the supplies more efficient.	DEC 2018	NOT COMPLETED (the target was redrafted in 2019 including also the production and consumption of solar energy)
To participate in environmental projects developed by suppliers and partners	YES/NO	To participate in DHL Go Green project, aimed at reducing shipment annual impacts	DEC 2017	COMPLETED
To increase the use of certified materials, with a lower environmental impact	N. of MKT prints on FSC paper / Total MKT prints	To use FSC certified paper for at least 80% marketing activity printouts	DEC 2017	COMPLETED 100% MKT printouts use FSC paper
To neutralise CO ₂ emissions	TCO ₂	To calculate web-site emissions of the web-site and offset them assessing projects for the purchase of CERs	DEC 2017	COMPLETED For the reference year 2016
		To calculate and offset emissions assessing projects for the purchase of CERs	JUN 2017	COMPLETED For the reference year 2016

OBJECTIVE	KPI	ACTION	WHEN	STATUS
To reduce the use of printed materials	N. of paper printouts	Introduction of Alyante management system to computerize purchase request process, in order to avoid the use of paper forms	DEC 2016	COMPLETED
		Replacement of paper pay slips with pay slips sent via e-mail	JUN 2016	COMPLETED
To increase of the purchase of certified cleaning products	N. di referenze	To give priority to certified cleaning products with Ecolabel	DEC 2016	COMPLETED 50% of the cleaning products are certified
To increase waste recycling	N. of waste typologies collected	To introduce separate collection of plastic, organic, glass and metal waste and inform Staff Members	JUN 2016	COMPLETED
To neutralise CO ₂ emissions	TCO ₂	To calculate and offset emissions assessing projects for the purchase of CERs	JUN 2016	COMPLETED For the reference year 2015

PEOPLE

OBJECTIVE	KPI	ACTION	WHEN	STATUS
To introduce new benefits for the Staff Members	YES/NO	To introduce meal vouchers	JAN 2019	NEW COMPLETED
To intensify technical-professional training	N. of training Hours	To organise specific training courses according to specific tasks	DEC 2019	NEW IN PROGRESS
To intensify technical-professional training	N. of training Hours	To organise specific training courses according to specific tasks (at least 8 training hours for each Staff Member)	DEC 2018	PARTIALLY COMPLETED
To improve the knowledge of foreign languages	N. of training hours	To schedule at least 4 training hours of English for each Member of the Staff	DEC 2018	PARTIALLY COMPLETED
To introduce new benefits for the Staff Members	N. of concluded agreements	To conclude agreements with local shops and commercial activities for Staff Members	DEC 2018	COMPLETED
To implements the ethical awareness of Staff Members and major Stakeholders	YES/NO	Adoption and sharing at all levels of a company code of ethics	MAR 2017	COMPLETED
To intensify technical-professional training	N. of training hours	To organise specific training courses according to specific tasks (at least 8 training hours for each Staff Member)	DEC 2016	COMPLETED

TERRITORY

OBJECTIVE	KPI	ACTION	WHEN	STATUS
To promote local sustainable development	N. of sponsorships	To sponsor initiatives/activities/ events aimed at promoting local sustainable development	DEC 2019	NEW IN PROGRESS
To support organisations and associations involved in environmental and/or social sustainability	N. of memberships	To support corporate ethical and environmental programmes developed by organisations and associations such as Mediciens Sans Frontieres, FAI, UNICEF	DEC 2019	NEW IN PROGRESS
To increase turnout of local suppliers and products	Local suppliers turnout / Total turnout	To give priority, with respect to the purchasing policy management, to the following criteria: · local suppliers of goods; · local suppliers of services	DEC 2018	COMPLETED
To promote local sustainable development	N. of sponsorships	To sponsor initiatives/activities/ events aimed at promoting local sustainable development	DEC 2018	COMPLETED
To support organisations and associations involved in environmental and/or social sustainability	N. of memberships	To support corporate ethical and environmental programs developed by organizations and associations such as Mediciens Sans Frontieres, FAI, UNICEF	JUN 2018	COMPLETED
To increase turnout of local suppliers and products (province of Brescia)	Local suppliers turnout / Total turnout	To give priority, with respect to the purchasing policy management, to the following criteria: · local suppliers of goods; · local suppliers of services	DEC 2017	COMPLETED
To support organisations and associations involved in environmental and/or social sustainability	N. of memberships	To support corporate ethical and environmental programs developed by organizations and associations such as Mediciens Sans Frontieres, FAI, UNICEF	JUN 2017	COMPLETED

AWARDS

2018

SLH Awards:
SHORTLISTED FINALIST "MOST SENSATIONAL SPA"

World Boutique Hotel Awards:
"EUROPE'S MOST SUSTAINABLE HOTEL"

World Luxury Hotel Awards:
"EUROPE'S LUXURY ECO RESORT"

Seven Stars Luxury Hospitality and Lifestyle Awards:
SEAL OF EXCELLENCE TO LEFAY SPA

Condé Nast Traveler Readers' Choice Awards:
"BEST 30 RESORTS IN EUROPE"

Condé Nast Traveller Readers' Travel Awards:
"TOP 20 SPA DESTINATIONS IN THE WORLD"

World Luxury SPA Awards:
"BEST UNIQUE SPA EXPERIENCE IN SOUTHERN EUROPE" AND "BEST LUXURY DESTINATION SPA IN ITALY"

World Travel Awards:
"EUROPE'S LEADING GREEN RESORT"

European Health & SPA Award:
"BEST SPA DESTINATION" AND "BEST SIGNATURE TREATMENT" TO "IL CERCHIO DELLA LUNA"

World SPA & Wellness Awards:
FINALIST AS "WORLDWIDE HEALTH & WELLNESS DESTINATION"

Traveller's World Awards
"FIRST PLACE IN THE TOP 10 SPAS IN THE WORLD"

Tripadvisor Travellers' Choice Awards:
"TOP 25 LUXURY HOTELS IN ITALY"

Guida "Ristoranti d'Italia 2018" Gambero Rosso:
"DUE FORCHETTE" TO LA GRANDE LIMONAIA RESTAURANT

Guida "I Ristoranti d'Italia 2018" L'Espresso:
"PRIMO CAPPELLO" TO LA GRANDE LIMONAIA RESTAURANT

2017

Fondazione Altagamma:
"PREMIO GIOVANI IMPRESE" TO LEFAY RESORTS

World Boutique Hotel Awards:
"WORLD'S BEST WELLNESS SPA"

Small Luxury Hotels Awards:
"MOST SENSATIONAL SPA"

Condé Nast Traveler Readers' Choice Awards: **"TOP 30 RESORTS IN EUROPE"**

World Travel Awards:
"EUROPE'S LEADING GREEN RESORT"

World Luxury SPA Awards:
"BEST LUXURY ECO-SPA"

European Health & SPA Award:
"BEST DESTINATION SPA"

Prime Traveller Awards:
"BEST WELLNESS CLINIC"

Tatler SPA Awards:
"BEST FOR EAST-WEST FUSION"

First place in TripAdvisor's
"TOP 10 HOTEL ECOLEADER PLATINUM" IN ITALY AND EUROPE

Fine Hotels & Resorts by American Express: **"MOST INNOVATIVE SUSTAINABLE HOTEL"**

Traveller's World Magazine:
"TOP 10 DESTINATION SPAS IN THE WORLD"

Tripadvisor Travellers' Choice Awards:
"TOP 25 LUXURY HOTELS IN ITALY"

Condé Nast Johansens Excellence Awards:
"BEST FOR COUPLES"

Guida "RISTORANTI D'ITALIA 2017" Gambero Rosso:
"DUE FORCHETTE" AND SPECIAL ACCOLADE "GUSTO & SALUTE" TO LA GRANDE LIMONAIA RESTAURANT

Guida "I RISTORANTI D'ITALIA 2017" L'Espresso:
"PRIMO CAPPELLO" TO LA GRANDE LIMONAIA RESTAURANT

2016

European Health & SPA Award:
"BEST SIGNATURE TREATMENT" TO "FARFALLA DI
SETA" AND "FLUIRE DEL RUSCELLO"

World Luxury SPA Awards:
"LUXURY DESTINATION SPA IN ITALY"

Connoisseur Circle Hospitality Awards:
"BEST HOSPITALITY SPA HOTEL"

World SPA & Wellness Awards:
"WORLDWIDE HEALTH & WELLNESS
DESTINATION"

Tripadvisor Travellers' Choice Awards:
"TOP 25 LUXURY HOTELS"

Condé Nast Johansens Excellence Awards:
"BEST SPA FACILITIES"

Guida "I RISTORANTI D'ITALIA 2016" L'Espresso:
PRIMO "CAPPELLO" TO
LA GRANDE LIMONAIA RESTAURANT

2015

Spafinder Wellness Travel Awards:
"COUNTRY AWARDS - BEST SPA IN ITALY"
AND "BEST FOR MIND & SPIRIT"

Spa Traveller Awards:
"BEST SPA RESORT (MORE THAN 50 ROOMS) IN ITALY"
AND "MOST EFFECTIVE DE-STRESS PROGRAMME"

Small Luxury Hotels of the World Awards:
"CLUB MEMBERS' HOTEL OF THE YEAR"

Condé Nast Traveller Readers' Choice Travel Awards:
"20 TOP DESTINATION SPA"

European Health & SPA Award:
"BEST DESTINATION SPA"

World SPA & Wellness Awards:
"RESORT SPA OF THE YEAR:
WESTERN EUROPE & SCANDINAVIA"

Condé Nast Johansens Excellence Awards:
"BEST DESTINATION SPA
EUROPE & MEDITERRANEAN"

Tripadvisor Travellers' Choice Awards:
"TOP 25 HOTELS", "TOP 25 LUXURY HOTELS"
AND "TOP 25 ROMANTIC HOTELS"

Guida "I RISTORANTI D'ITALIA 2015" L'Espresso:
PRIMO "CAPPELLO" TO
LA GRANDE LIMONAIA RESTAURANT

2014

Condé Nast Traveller Readers' Choice Travel Awards:
"20 TOP DESTINATION SPA"
AND "WORLD'S BEST 100"

Tripadvisor Greenleaders:
PLATINUM

European Health & SPA Award:
"BEST SPA TREATMENT IN ITALY" TO
LEFAY SPA "LA VITA NEI SENSI"

EXPEDIA® INSIDERS' SELECT™ 2014 CNN

9 DELUXE WEIGHT LOSS VACATIONS

Tripadvisor Travellers' Choice Awards:
"BEST LUXURY HOTELS"
AND "MOST ROMANTIC HOTELS"

Trivago Hotel Awards:
"BEST HOTEL IN LOMBARDY"

ADDENDUM 1

LEFAY RESORT GARDA SRL DATA

TOTAL WORKFORCE	MALE	%	FEMALE	%	TOTAL	%
TOTAL	71	49	73	51	144	100
BY REGION						
EU	70	99	73	100	143	99
SUD AMERICA	1	1	-	-	1	1
BY EMPLOYEE CONTRACT						
Full-Time	70	99	68	93	138	96
Part -Time	1	1	5	7	6	4
BY EMPLOYEE CATEGORY						
Management	4	6	5	7	9	6
Line Staff	64	90	63	86	127	88
<i>On-Call Workers</i>	2	3	2	3	11	9
<i>Seasonal Workers</i>	-	1	2	3	4	3
Trainees	3	4	5	7	8	6
BY AGE GROUP						
Under 30	27	38	28	38	55	38
30 To 50	35	49	32	44	67	47
Over 50	9	13	13	22	22	15
BY CONTRACT LEVEL						
Managers	-	-	1	1	1	1
1 ST level	4	6	4	5	8	6
2 ND level	5	7	2	3	7	5
3 RD level	9	13	8	11	17	12
4 TH level	16	23	16	22	32	22
5 TH level	18	25	21	29	39	27
6 TH level	16	23	16	22	32	22
Trainees	3	4	5	7	8	6
SHELTERED GROUPS						
TOTAL	3	4	3	4	6	4
NEW COLLEAGUES						
TOTAL	25	35	28	38	53	37
BY AGE GROUP						
Under 30	14	56	11	39	25	47
30 To 50	9	36	15	54	24	45
Over 50	2	8	2	7	4	8
BY REGION						
EU	24	96	28	100	52	98
ASIA	1	4	-	-	1	2

TURNOVER	MALE	%	FEMALE	%	TOTAL	%
TOTAL	22	31	17	23	39	27
BY AGE GROUP						
Under 30	9	41	7	41	16	41
30 To 50	11	50	8	47	19	49
Over 50	2	9	2	12	4	10
BY REGION						
EU	21	95	17	100	38	97
SUD AMERICA	1	5	-	-	1	3
WORK-RELATED INJURIES	MALE	%	FEMALE	%	TOTAL	%
TOTAL (days)	-	-	63	100	63	100
BY REGION						
EU	-	-	63	100	63	100
WORK-RELATED ILLNESSES	MALE	%	FEMALE	%	TOTAL	%
TOTAL (days)	-	-	-	-	-	-
EXECUTIVE BOARD	MALE	%	FEMALE	%	TOTAL	%
TOTAL	2	67	1	33	3	100
BY AGE GROUP						
Under 30	1	50%	-	-	1	33%
30 To 50	1	50%	-	-	1	33%
Over 50	-	-	1	100%	1	33%
BY REGION						
EU	2	100	1	100	3	100
TRAINING HOURS	MALE	%	FEMALE	%	TOTAL	%
TOTAL	1.372	40	2.075	60	3.446	100
BY EMPLOYEE CATEGORY						
Management	60	4	88	4	148	4
<i>Internal Courses</i>	27	35	38	43	88	59
<i>External Courses</i>	39	65	50	57	60	47
Line Staff	1.101	80	1.636	79	2.736	79
<i>Internal Courses</i>	692	63	1.239	76	1.930	71
<i>External Courses</i>	409	37	397	24	806	29
TRAINEES	211	15	351	17	562	16
<i>Internal Courses</i>	127	60	239	68	366	65
<i>External Courses</i>	84	40	112	32	192	34
PROMOTIONS						
Total	9	13	16	16	25	17
BY EMPLOYEE CATEGORY						
Management	-	-	1	6	1	33
Line Staff	9	100	15	94	24	96

ADDENDUM 2 LEFAY RESORTS SRL DATA

TOTAL WORKFORCE	MALE	%	FEMALE	%	TOTAL	%
TOTAL	4	18	18	82	22	100
BY REGION						
EU	4	100	18	100	22	100
BY EMPLOYEE CONTRACT						
Full-Time	3	75	17	94	20	91
Part -Time	1	25	1	6	2	9
BY EMPLOYEE CATEGORY						
Management	2	50	7	39	9	41
Line Staff	2	50	11	61	13	59
Trainees	-	-	-	-	-	-
BY AGE GROUP						
Under 30	1	25	2	11	3	14
30 To 50	2	50	14	78	16	73
Over 50	1	25	2	11	3	14
BY CONTRACT LEVEL						
Managers	1	25	3	17	4	18
1 ST level	1	25	4	22	5	23
2 ND level	-	-	1	6	1	5
3 RD level	1	25	7	39	8	36
4 TH level	-	-	1	6	1	5
5 TH level	-	-	2	11	2	9
6 TH level	1	25	-	-	1	5
Trainees	-	-	-	-	-	-
SHELTERED GROUPS						
TOTAL	1	25	-	-	1	5
NEW COLLEAGUES						
TOTAL	1	25	8	44	9	42
BY AGE GROUP						
Under 30	-	-	1	13	1	11
30 To 50	-	-	7	88	7	78
Over 50	1	100	-	-	1	11
BY REGION						
EU	1	100	8	100	9	100
TURNOVER						
TOTAL	-	-	1	5	1	5

BY AGE GROUP						
Under 30	-	-	-	-	-	-
30 To 50	-	-	1	100	1	100
Over 50	-	-	-	-	-	-
BY REGION						
EU	-	-	1	100	1	100
WORK-RELATED INJURIES	MALE	%	FEMALE	%	TOTAL	%
TOTAL (days)	-	-	-	-	-	-
WORK-RELATED ILLNESSES	MALE	%	FEMALE	%	TOTAL	%
TOTAL (days)	-	-	-	-	-	-
EXECUTIVE BOARD	MALE	%	FEMALE	%	TOTAL	%
TOTAL	5	83	1	17	6	100
BY AGE GROUP						
Under 30	1	20	-	-	1	17
30 To 50	3	60	1	100	4	67
Over 50	1	20	-	-	1	17
BY REGION						
EU	5	100	1	100	6	100
TRAINING HOURS	MALE	%	FEMALE	%	TOTAL	%
TOTAL	44	11	340	89	384	100
BY EMPLOYEE CATEGORY						
Management	12	27	111	33	123	32
<i>Internal Courses</i>	-	-	26	23	26	21
<i>External Courses</i>	12	100	85	77	97	79
Line Staff	32	73	229	67	261	68
<i>Internal Courses</i>	4	13	86	38	90	34
<i>External Courses</i>	28	88	143	62	171	66
PROMOTIONS						
TOTAL	2	50	4	22	6	27
BY EMPLOYEE CATEGORY						
Management	1	50	1	25	1	17
Line Staff	1	50	3	75	4	67

ENVIRONMENTAL PERFORMANCE INDICATORS							
ENERGY	UNIT	2016	%	2017	%	2018	%
Pallet	T	52,84	100	17,18	100	49,80	100
Pallet	T/unit	2,52	-	0,82	-	2,26	-
TOTAL - THERMAL ENERGY	T	52,84	100	17,18	100	49,80	100
TOTAL - THERMAL ENERGY	T/unit	2,52	-	0,82	-	2,62	-
Green energy purchased	Mwh	55,21	86,83	68,07	91,44	66,14	87,39
Green energy purchased	Mwh/Unit	2,48	-	3,24	-	3,01	-
Self-produced solar energy	Mwh	8,37	13,17	6,37	8,56	9,55	12,61
Self-produced solar energy	Mwh/Unit	0,98	-	0,34	-	0,43	-
TOTAL - ELECTRICITY	Mwh	63,58	100	74,43	100	75,68	100
TOTAL - ELECTRICITY	Mwh/Unit	3,46	-	3,92	-	3,44	-
WATER	UNIT	2016	%	2017	%	2018	%
Water withdrawn from the municipal supply network	m ³	2.528,00	100	2.980,00	100	2.304,00	100
Water withdrawn from the municipal supply network	m ³ /unit	120,38	-	156,84	-	121,26	-
WASTE	UNIT	2016	%	2017	%	2018	%
Exhausted toners with hazardous substances (CER 80317)	T	0,002	100	0,06	75	-	-
Exhausted toners (CER 80318)	T	-	-	0,02	25	0,01	100
CO ₂ EMISSIONS	UNIT	2016	%	2017	%	2018	%
Scope 1	TCO _{2eq}	17,70	53,00	16,40	44,57	73,67	77,31
Scope 2	TCO _{2eq}	-	-	-	-	-	-
Scope 3	TCO _{2eq}	15,50	47,00	20,40	55,43	21,62	22,69
TOTAL	TCO_{2eq}	33,20	100	36,80	100	95,29	100

CO₂ EMISSIONS BY SOURCE

SOURCE	UNIT	2016	%	2017	%	2018	%
Electricity (green energy)	TCO _{2eq}	-	-	-	-	-	-
Thermal energy (pallet)	TCO _{2eq}	5,71	17,20	1,86	5,05	5,38	5,65
Refrigerants (HFC)	TCO _{2eq}	-	-	-	-	45,24	47,28
Company cars	TCO _{2eq}	11,97	36,05	14,08	38,24	23,05	24,19
Waste	TCO _{2eq}	0,23	0,69	1,64	4,45	0,38	0,40
Paper	TCO _{2eq}	0,21	0,63	0,23	0,62	0,39	0,41
Personal cars (home to work / work to home)	TCO _{2eq}	15,09	45,45	19,02	51,66	20,85	21,88
TOTAL	TCO_{2eq}	33,20	100	36,82	100	95,29	100

SUSTAINABILITY REPORT IN ACCORDANCE WITH GLOBAL REPORTING INITIATIVE

GENERAL STANDARD REPORTING

GRI STANDARD TITLE	NUMBER	TITLE	CORE	REFERENCE	ASSURANCE
GENERAL DISCLOSURES					
General disclosures	102-1	Name of the organisation	X	Our Story	✓
General disclosures	102-2	Activities, brands, products and services	X	Business model	✓
General disclosures	102-3	Location of headquarters	X	Corporate structure	✓
General disclosures	102-4	Location of operations	X	Corporate structure	✓
General disclosures	102-5	Ownership and legal form	X	Corporate structure	✓
General disclosures	102-6	Markets served	X	Economic performance	✓
General disclosures	102-7	Scale of the organisation	X	Economic performance	✓
General disclosures	102-8	Information on employees and other workers	X	Staff's satisfaction	✓
General disclosures	102-9	Supply chain	X	Supplies	✓
General disclosures	102-10	Significant changes to the organisation and its supply chain	X	Our Story	✓
General disclosures	102-11	Precautionary principle or approach	X	Environment	✓
General disclosures	102-12	External initiatives	X	Promotion of local areas	✓
General disclosures	102-13	Membership of associations	X	Promotion of local areas	✓
General disclosures	102-14	Statement from senior decision-maker	X	Chief Executive Officer's Letter	✓
General disclosures	102-16	Values, principles, standards, and norms of behavior	X	Vision e Mission Corporate values	✓
General disclosures	102-18	Governance structure	X	Corporate structure	✓
General disclosures	102-40	List of stakeholder groups	X	Stakeholder	✓
General disclosures	102-41	Collective bargaining agreements	X	Staff's satisfaction	✓
General disclosures	102-42	Identifying and selecting stakeholders	X	Stakeholder	✓
General disclosures	102-43	Approach to stakeholder engagement	X	Stakeholder	✓
General disclosures	102-44	Key topics and concerns raised	X	Stakeholder	✓
General disclosures	102-45	Entities included in the consolidated financial statements	X	Business model Corporate structure	✓
General disclosures	102-46	Defining report content and topic Boundaries	X	Boundaries of Sustainability Report	✓
General disclosures	102-47	List of material topics	X	Materiality	✓
General disclosures	102-48	Restatements of information	X	Addendum2	✓
General disclosures	102-49	Changes in reporting	X	Materiality	✓

GRI STANDARD TITLE	NUMBER	TITLE	CORE	REFERENCE	ASSURANCE
General disclosures	102-50	Reporting period	X	Boundaries of Sustainability Report	✓
General disclosures	102-51	Date of most recent report	X	Boundaries of Sustainability Report	✓
General disclosures	102-52	Reporting cycle	X	Boundaries of Sustainability Report	✓
General disclosures	102-53	Contact point for questions regarding the report	X	Addendum	✓
General disclosures	102-54	Claims of reporting in accordance with the GRI Standards	X	Boundaries of Sustainability Report	✓
General disclosures	102-55	GRI content index	X	GRI Sustainability Reporting	✓
General disclosures	102-56	External assurance	X	External Assurance	✓
MANAGEMENT APPROACH					
Management approach	103-1	Explanation of the material topic and its Boundary	X	Materiality	✓
Management approach	103-2	The management approach and its components	X	Materiality	✓
Management approach	103-3	Evaluation of the management approach	X	Materiality	✓
ECONOMIC					
Economic Performance	201-1	Direct economic value generated and distributed		Economic performance	✓
Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage		Staff's satisfaction Addendum1, Addendum2	✓
Market Presence	202-2	Proportion of senior management hired from the local community		Staff's satisfaction Addendum1, Addendum2	✓
Procurement Practices	204-1	Proportion of spending on local suppliers		Supplies	✓
ENVIRONMENTAL					
Energy	302-1	Energy consumption within the organization		Energy	✓
Energy	302-4	Reduction of energy consumption		Energy	✓
Energy	302-5	Reductions in energy requirements of products and services		Energy	✓
Water	303-3	Water withdrawal		Water	✓
Water	303-4	Water discharge		Water	✓
Water	303-5	Water consumption		Water	✓

GRI STANDARD TITLE	NUMBER	TITLE	CORE REFERENCE	ASSURANCE
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity	✓
Emissions	305-1	Direct (Scope 1) GHG emissions	CO ₂ Emissions	✓
Emissions	305-2	Energy indirect (Scope 2) GHG emissions	CO ₂ Emissions	✓
Emissions	305-3	Other indirect (Scope 3) GHG emissions	CO ₂ Emissions	✓
Emissions	305-5	Reduction of GHG emissions	CO ₂ Emissions	✓
Effluents and Waste	306-2	Waste by type and disposal methods	Waste	✓
SOCIAL				
Employment	401-1	New employee hires and employee turnover	Staff's satisfaction Addendum1, Addendum2	✓
Employment	401-3	Parental leave	Family and work conciliation	✓
Occupational Health and Safety	403-2	Hazard identification, risk assessment and incident investigation	Health and Safety, HACCP, Privacy	✓
Occupational Health and Safety	403-5	Worker training on occupational health and safety	Health and Safety, HACCP, Privacy	✓
Occupational Health and Safety	403-9	Worker related injuries	Addendum1, Addendum2	✓
Occupational Health and Safety	403-10	Worker related ill health	Addendum1, Addendum2	✓
Training and Education	404-1	Average hours of training per year per employee	Training Addendum1, Addendum2	✓
Training and Education	404-3	Percentage of employees receiving regular performance and career development reviews	Training Addendum1, Addendum2	✓
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Corporate structure, Staff's satisfaction Addendum1, Addendum2	✓
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Guests' satisfaction	✓

AUDIT REPORT





TÜV Italia srl - Sede - I-20099 Sesto S. Giovanni (MI) via Giosuè Carducci 125

To the attention of:

LEFAY RESORTS Srl
Via Santigaro, 4
25010 SAN FELICE DEL BENACO (BS)

Audit Report according to the "Global Reporting Initiative GRI CORE" Guidelines - LEFAY RESORTS Srl and LEFAY RESORT GARDA Srl

This public report is related to the audit performed on the " LEFAY RESORTS Srl and LEFAY RESORT GARDA Srl Sustainability Report" (Lefay Resorts Srl - Lefay resort Garda Srl is hereinafter referred to as "Organization" or "Lefay Resort") by TÜV Italy Srl (*) for the year 2018.

The perimeter of the LEFAY RESORTS – 2018 Sustainability Report contains information and data related to the administrative offices located in San Felice del Benaco (BS) and the site of Lefay Resorts located in Gargnano (BS) – Garda Lake.

LEFAY RESORTS decided to exclude from the scope of this reporting some indicators summarized in the table GRI positioned at the end of the Sustainability Report, as required by the GRI guidelines.

In particular, the environmental data related to the consumption of the administrative headquarter of Lefay Resorts Srl located in San Felice del Benaco (BS) are reported in a specific attachment to the report because they are not relevant compared to those of the hotel sited in Gargnano (BS).

The verification process took place in accordance with the methodology and the phases below described.

TÜV ITALIA S.R.L.
TÜV SÜD Group

Direzione e Sede Amministrativa:
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The scope of the audit

The audit was conducted to assess, with a sufficient degree of confidence, that the techniques related to the collection, control and communication of the data are aligned with the requirements as in the guidelines applied to the reporting process by the Organisation, which is responsible of all the information contained in the Sustainability Report.

Please note that the economic data were only considered to check the compliance with the economic indicators provided by the GRI Guideline.

Audit process

The audit process was divided into several phases conducted between the months of June and July 2019, both at the site of Gargnano (BS), in San Felice del Benaco (BS) site, and remotely for the documentation review.

The methodology applied made it possible to assess the compliance of the Sustainability Report with all the applicable requirements of the GRI Guideline and selected by the Organization.

Both the management and the operating staff were interviewed, it was performed a sampling of the evidence to support the disclosed indicators, it was decided to carry out a sample check of records and documents, as well as the analysis of the data collection and communication processes adopted by the Organization in the Sustainability Report.

The audit also assessed the reporting principles both those related to the content of the report and those connected to the quality and accuracy of the information. The tests performed by the Organization for the evaluation of the relevant issues (*materiality*) in line with the mapping and analysis of interested parties (*stakeholders*) were analysed very carefully.

The improvement path identified in the previous audit findings was also verified.

Conclusions

According to the adopted audit, it is possible to confirm that the methodology used by the Organization in writing, checking and processing the texts related to the Sustainability Report 2018 was consistent and reliable in relation to the GRI Guidelines .

The organization demonstrated commitment to making the information contained in the Sustainability Report readable, comparable and presented in an orderly, organic and



accurate way. Data source and responsibilities are well identified and clear, besides it is highlighted a high involvement of the staff at any levels in relation to the data collection and monitoring processes.

In consistency with the previous edition of the Sustainability Report, a more in-depth focus on some issues already available in past edition, a clarification in the perimeter of the reporting and an extended approach for stakeholder engagement for the materiality assessment can be confirmed.

On the base of the collected evidence, TÜV Italy Srl could verify that the "LEFAY RESORTS Srl and LEFAY RESORT GARDA Srl Sustainability Report" - 2018 - is compliant with **the CORE level** of the Global Reporting Initiative (GRI).

Opportunity for Improvement

At the end of the activity, the following improvements have been suggested:

to explicitly report the outcomes of stakeholders engagement activities even if no relevant recommendations and needs were raised;

to duly report, with reference to any material issue:

- the specific reasons making it material;
- where respective impacts occur or might occur (as applicable);
- the organization's involvement with the impacts;
- how the organization manages the topic;
- any reference to other sections of the report where relevant and more detailed information can be found.

During the audit, it was observed a strong commitment by the Organization for the next editions of the Sustainability Report, to consolidate the commitment and the methodology used to involve specific stakeholders on the sustainability issues; to deepen some indicators; to implement an internal process that ensures the verification of the completeness and comparability of all the accounted indicators at a temporary level.



Methodological note

This final report fulfils the criteria AA1000AS 2008 "Statement of Assurance". The report is public and can be used by LEFAY RESORTS Srl and LEFAY RESORT GARDA Srl only in conjunction with the Sustainability Report, to which it refers.

The Organization cannot omit parts of the report provided by TÜV Italy Srl and it is responsible for all the information presented in its Sustainability Report.

Independence and Information on the Assurance Provider

TÜV Italia Srl, a subsidiary of the international group TÜV SÜD, is an independent inspection and certification body accredited by the major organizations in the social and environmental areas. It has a valuable experience at international level in the certification and verification in the field of social responsibility, environment and carbon management.

During the verification of the LEFAY RESORTS Sustainability Report, TÜV Italia Srl made use of a multidisciplinary team.

TÜV Italy Srl declares to have no conflict of interest towards LEFAY RESORTS Srl and LEFAY RESORT GARDA Srl, nor against any other companies included in the scope of the reporting.

(*) This report is formalized on the basis of the information obtained during the Sustainability Report audit written in Italian.

Sesto San Giovanni (Milan), July 23th, 2019

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For any further information regarding the 2018 Sustainability Report and its contents, please send an e-mail to:
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This Report was drawn up using FSC recycled paper as a demonstration of our commitment towards the environment.

